

**In the High Court of New Zealand
Wellington Registry
I Te Kōti Matua o Aotearoa
Te Whanganui-ā-Tara Rohe**

CIV-2012-485-2591

Under sections 271 and 284 of the Companies Act 1993
In the matter of Ross Asset Management Limited (in liquidation) and related entities

John Howard Ross Fisk and David John Bridgman, as liquidators of Ross Asset Management Limited (in liquidation), Dagger Nominees Limited (in liquidation), Bevis Marks Corporation Limited (in liquidation), United Asset Management Limited (in liquidation), McIntosh Asset Management Limited (in liquidation), Mercury Asset Management Limited (in liquidation) Ross Investments Management Limited (in liquidation) and Ross Unit Trusts Management Limited (in liquidation) each being Chartered Accountants of Wellington and Auckland respectively

Applicants

**Affidavit of John Howard Ross Fisk in support of
application for directions**

Sworn 11 December 2017

BELL GULLY

BARRISTERS AND SOLICITORS

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I, John Howard Ross Fisk, of Wellington, Accountant, swear:

1. Introduction

- 1.1 I make this affidavit in support of the application by the liquidators of Ross Asset Management Limited (**RAM**) and its related entities (the **Liquidators**) for directions.
- 1.2 The background to this application is the collapse of financial investment firm, RAM. Upon its collapse, it was discovered that RAM was operating a Ponzi scheme. I understand that RAM's Ponzi scheme is the largest known in New Zealand.
- 1.3 At the time of RAM's collapse, RAM was purportedly holding investments worth \$449.6 million for just over 860 investors. Mr Bridgman and I as receivers of RAM and its related entities, and subsequently liquidators, could recover only approximately \$3.724 million of those purported investments.
- 1.4 Given that RAM's operations were a Ponzi, the distribution of its assets raises a number of complex and novel issues. The primary question in this application is how to distribute the assets between the various groups of creditors and investors in RAM.
- 1.5 In this application, the Liquidators are seeking the following directions:
- (a) that the assets of RAM and its related entity, Dagger Nominees Limited (in liquidation) (**Dagger**), be pooled and the liquidation of the two companies proceed as if they are one company. We do not expect this direction to be contentious. The two companies were in effect run as one and both were parties to the standard investment agreement with all Investors;
 - (b) that there should be only one common pool of assets for distribution for both general unsecured creditors and investors in RAM rather than two pools of assets (a trust pool and a general pool of assets). Again, this direction is not expected to be contentious. Unsecured creditors total less than \$70,000. It

would be uneconomic to seek to distinguish between them and RAM's investors for the purpose of distribution;

- (c) as to which of the two proposed distributions models, being the Net Contributions Model (based on the usual approach to distributions to creditors) and the Alternative Model, should be used as the basis for distribution in the Ross Group liquidation. I expect this will be the focus of submissions and debate in this Application. The two models present quite different outcomes for a range of RAM investors;
- (d) confirmation as to the correct treatment of transfers or purported transfers of value between RAM portfolios for the purpose of distribution; and
- (e) ancillary orders, including as to the appointment of counsel assisting the court, payment of the Liquidators' costs from the common pool of assets, service of this application, limited confidentiality orders and an alternative procedure to the standard proof of debt process. We do not expect these orders to be contentious. However, there may be some contention around the role of counsel assisting the court and the impact of any appeal rights for investors of appointing such counsel.

1.6 Figures in this affidavit are, where appropriate, rounded for ease of reference. In this affidavit, where I refer to "we", I mean Mr Bridgman and me and/or employees of PwC whom Mr Bridgman or I have supervised.

1.7 I annex hereto, marked "JF-1", a paginated bundle of exhibits (Exhibits).

2. Our appointments

2.1 Following an application by the Financial Markets Authority, on 6 November 2012 the High Court appointed Mr Bridgman and I receivers of the following entities:

- (a) Ross Asset Management Limited;

- (b) Bevis Marks Corporation Limited;
 - (c) McIntosh Asset Management Limited;
 - (d) Mercury Asset Management Limited;
 - (e) Dagger Nominees Limited;
 - (f) Ross Investment Management Limited;
 - (g) Ross Unit Trusts Management Limited;
 - (h) United Asset Management Limited;
 - (i) Chapman Ross Trust;
 - (j) Woburn Ross Trust; and
 - (k) Mr David Robert Gilmour Ross,
- (together, the **Ross Associated Entities**).

2.2 I attach at **page 1** our initial report to the Court, as receivers of the Ross Associated Entities.

2.3 On 17 December 2012, following an application dated 3 December 2012, the High Court placed the following companies into liquidation and appointed Mr Bridgman and I as liquidators:

- (a) RAM;
- (b) Bevis Marks Corporation Limited;
- (c) McIntosh Asset Management Limited; and
- (d) Mercury Asset Management Limited.

2.4 On the same day, Mr Bridgman and I, in our capacities as receivers of Mr Ross, the sole shareholder, passed a resolution placing the following related companies into liquidation and appointing ourselves as liquidators:

- (a) Dagger;
- (b) Ross Investment Management Limited;
- (c) Ross Unit Trusts Management Limited; and
- (d) United Asset Management Limited.

2.5 In this affidavit, I use the term the **Ross Group** to refer to the eight related companies listed in paragraphs 2.3 and 2.4 above.

3. **Summary of RAM's operations**

- 3.1 From the early 1990s RAM marketed itself as offering investment services to clients. David Ross was the sole director of all the Ross Group companies and appeared to have sole responsibility for all funds management, research and investment decisions made by him on behalf of all investors or by RAM. Mr Ross also liaised with investors to attract new contributions and to inform them of the decisions he had (supposedly) made regarding their investment portfolios. He was supported by two administrative assistants, who were employed by RAM.
- 3.2 Ross Group investors typically entered into an agreement with RAM and Dagger as part of placing their investments with RAM (the **Management Agreement**). There were different versions of this agreement depending on the date the investor opened their RAM portfolio but the substance of them was the same. A copy is at **page 63** of my Exhibits.
- 3.3 The Management Agreement provided that the shares that were to be acquired were to be legally owned by Dagger, beneficially owned by the respective investors and managed by RAM. Any cash in an investor's portfolio was to be held in a bank account in the name of that investor.
- 3.4 Investors were led to believe that if they transferred money or shares to RAM, this was in turn transferred to Dagger who would hold those shares and cash as trustee on their behalf. Any cash withdrawals that

the investors wished to make would be received from RAM following the sale of shares by Dagger.

- 3.5 In exchange for providing these services RAM was entitled to receive management fees, payable from the investors' respective portfolios. This fee was usually 1% of the value of the portfolio, although in a small number of instances there were different management fee arrangements. (In practice these management fees were not actually paid). The management fees were no doubt intended to be used to meet the operating expenses of the business, such as wages, rent and power and any drawings or director remuneration received by David Ross. (As I detail below, in fact RAM did not operate in this way).
- 3.6 RAM also charged a transaction fee of 0.25% on the value of withdrawals from investors' portfolios. As for management fees, in practice this was rarely actually paid.
- 3.7 Investors were provided with quarterly reports for each of their portfolios which purported to show the opening position, all activity on the portfolio including share sales, share purchases, cash withdrawals and payment of management fees, the closing position and listed details of investments held.
- 3.8 From June 2000, RAM's records were maintained on a custom built Microsoft Access Database (**RAM Investor Database**). Data entry was primarily undertaken by the two administrative assistants based on instructions received from David Ross. The quarterly reports noted above, as well as other reports, such as tax summaries, could then be automatically generated from the RAM Investor Database.
- 3.9 In reality investor monies were not dealt with as investors had been led to believe. Cash or shares were transferred by investors to RAM or, occasionally, a broker used by RAM. Rather than being immediately transferred to Dagger and kept separately, on trust, for the respective investors, they became part of a pool of shares and cash owned by RAM, Dagger, Bevis Marks Corporation Limited (now in liquidation) and United Asset Management Limited (now in liquidation). From that pool

of assets, the operating expenses of RAM, personal drawings by David Ross and payments to investors and share purchases were met.

- 3.10 In substance RAM operated one principal trading bank account in its own name through which such payments and deposits were made (I refer to that account below as the **00 Account**). There were a number of related bank accounts in RAM's name but these were generally maintained simply to receive deposits or hold foreign currency. Amounts received into those accounts were usually subsequently transferred into the 00 Account.
- 3.11 In practice, if funds were obtained from investor deposits, these were used to meet any Ross Group expenditure or withdrawals sought by other investors. If there were insufficient funds available to meet those payments then shares owned by any of the aforementioned companies were sold and the proceeds paid to RAM to enable RAM to meet the expenditure or withdrawal.
- 3.12 The Quarterly Reports issued by RAM to its investors almost inevitably did not match up with shares held by RAM for that investor (if any such shares were held at all). The reports did, however, on their face match what was occurring in the market for the shares reported to be in the particular portfolio. That is, an investor who compared their portfolio statement to stock exchange reports would not have seen any discrepancy. Copies of two such quarterly reports, with the investors' identity redacted, are at **pages 81-91** of my Exhibits.
- 3.13 The effect of the above arrangements was that RAM was running a Ponzi scheme which was dependent on new investors investing money to pay prior investors. That is, investor deposits were mostly used to repay previous investors.
- 3.14 At a meeting on 21 November 2012, David Ross admitted to me that the majority of share purchases reported to clients were in fact fictitious.
- 3.15 He told me that the fictitious investments were recorded via a dummy broker set up in the RAM Investor Database records called "Bevis

Marks". This confirmed what I had already thought – that RAM was operating a Ponzi scheme. (I note that the Ross Group also included a company called Bevis Marks Corporation Limited but this was a real company holding some real shares. In this affidavit when I refer to "Bevis Marks" I am referring to the dummy broker. When I am referring to the company I use its full name).

3.16 The existence of the Bevis Marks dummy broker account became the basis on which the Serious Fraud Office laid criminal charges against Mr Ross to which he ultimately pleaded guilty on 29 August 2013. He was sentenced to 10 years and 10 months in prison, which he is currently serving. He has admitted criminal behaviour dating back to at least June 2000. A copy of the agreed summary of facts, on which Mr Ross' guilty plea was based, and the Court's sentencing notes are attached at **pages 92 and 100** respectively.

3.17 However, we have seen evidence suggesting the Ponzi was well entrenched by that date, and was likely in existence as early as the early 1990s.

Dagger

3.18 As I mentioned above, Dagger was set up by David Ross as the "nominee company" to hold cash and assets on behalf of investors. Mr Ross was the sole shareholder and director of Dagger, which had no employees of its own. However, Mr Ross, and RAM's two administrative assistants effectively treated Dagger as a division of RAM. When Mr Ross or RAM's administrative assistants were giving instructions in respect of Dagger, these instructions were simply effected through RAM. To the best of our knowledge, Dagger itself had no letterhead.

3.19 Dagger had two bank accounts and various broker accounts in its own name. However, these bank accounts were simply used to receive share sale proceeds before those proceeds were transferred to the 00 Account. Once in the 00 Account, these funds became part of the intermingled pool of funds used for various purposes, including payment of RAM's operating expenses.

3.20 I attach an analysis of Investor Related Receipts and Payments for RAM for financial years ended 2007 to 2012 (**page 110**). This analysis has a line item for "Transfer from Dagger". As can be seen from this analysis, the following amounts were transferred from Dagger's bank accounts to RAM's bank accounts:

- (a) in the financial year to 31 March 2007: 150,000.00;
- (b) in the financial year to 31 March 2008: \$340,000.00;
- (c) in the financial year to 31 March 2009: 894,000.00;
- (d) in the financial year to 31 March 2010: \$169,908.30;
- (e) in the financial year to 31 March 2011: \$2,381,609.73;
- (f) in the financial year to 31 March 2012: \$5,849,069.17; and
- (g) in the financial year to 6 November 2012: \$2,511,950.64.

3.21 The only expenses incurred by Dagger were broker fees and bank account fees in respect of the accounts referred to above.

4. Key factors in the Liquidation

4.1 There are three key factors in the Ross Group Liquidation which are relevant for a number of the orders sought in this Application. These are:

- (a) the extent and duration of the fraudulent operations;
- (b) incomplete records as to the Ross Group's operations; and
- (c) the volume of transactions undertaken (or purportedly undertaken) by RAM.

I expand on these issues below.

The extent and duration of the fraudulent operations

- 4.2 RAM operated as an investment adviser and manager from around 1990.
- 4.3 RAM's earliest available computer records date from June 2000. (It changed its computer system at that time). In June 2000, 59.97% of shareholdings by value, across a large number of investors, were recorded as being held by Bevis Marks. As I mentioned above, no such broker or custodian existed. Bevis Marks was a dummy broker / fictitious "account" used by Mr Ross to allow the internal records to balance in order to assist in perpetuating the fraud.
- 4.4 The fact that, in June 2000 (i.e. the date of the earliest available computer records), approximately 60% of shares by value were recorded as held by Bevis Marks suggests the Ponzi scheme was well entrenched by 2000.
- 4.5 Further, the fact that shares were recorded at a broker other than Bevis Marks does not necessarily mean those shares existed. After Mr Bridgman and I were appointed as receivers, we contacted the "legitimate" brokers used by the Ross Group to verify the assets reportedly held by them for the Group. Only approximately 37% of the shares reported in RAM's records as held by those brokers were in fact held by them.
- 4.6 In the case of some investors it has been possible to work back through the quarterly reports manually to identify when shares recorded as held by Bevis Marks in 2000 were first reportedly acquired. "Tracking back" has proved difficult because of the frequency with which RAM bought and sold shares (or reported buying and selling shares). However, we have seen Bevis Marks shares reportedly acquired as early as 1997, although Bevis Marks may well have been used prior to that date.
- 4.7 Another trend with the fictitious holdings was that RAM would regularly "buy" and "sell" shares in the same companies, for many investors at or around the same time (according to our analysis of their quarterly reports). We have seen this pattern as early as October 1997 and it

continued right up until RAM's receivership. This concentrated volume of purported transactions was usually an indication of fictitious transactions. Many of these pockets of concentrated trading, if it represented valid trading, would have meant that RAM or Dagger would have been one of the largest holders of shares in many publicly listed companies. However, upon RAM's receivership, we searched the publicly available information for the top 10 shareholders in many of these companies and discovered this was not the case.

- 4.8 A key feature of RAM's Ponzi was that in substance RAM operated a single bank account (the 00 Account) in its own name through which investor funds and proceeds of share sales were intermingled and used for a variety of purposes. While RAM had another bank account (25) which received deposits at times, these funds were typically then transferred into the 00 Account.
- 4.9 The Liquidators do not have bank records for the 00 Account prior to March 2006. RAM did keep a handwritten cash book, although it is not entirely reliable (some errors have been identified). The earliest handwritten cash book dates back to 1996. This cash book indicates that the intermingling which was a characteristic of the Ponzi was occurring at least that early, if not before.
- 4.10 In the early 1990s, RAM set up (at least for some investors) ANZ nominee bank accounts into which investors paid their deposits. In some cases, copies of the bank records for these nominee accounts remain on the relevant client file. We have not attempted a detailed manual analysis, but to the extent we have reviewed nominee bank records, these typically show deposits being paid in, and then shortly after transferred to RAM's main bank account, following which the nominee account does not appear to have been used again or was closed shortly thereafter. If cash held for an investor was being kept separate, as was required, we would expect to see share sale proceeds coming back into the ANZ nominees' accounts. But this is not the case. Likewise, we would expect to see transfers from the nominee account to RAM for payment of the management fees, but this did not occur.

- 4.11 Accordingly, we consider that RAM's operations were, at least in part, fraudulent from as far back as the early 1990s.

Incomplete records

- 4.12 As I mentioned above, the records of the Ross Group are imperfect and incomplete. Many of the transactions recorded in the RAM Investor Database are fictitious. Accordingly, we cannot rely on records produced by RAM as being accurate.
- 4.13 We have been reliant on third party records, where available. This includes bank statements and documentation obtained from share registries and share brokers used by the Ross Group. However, even this information has its limitations. For example, we only have RAM's bank statements for the 00 Account from March 2006. We also have limited statements from the various brokers used by RAM, and in the case of some brokers, no statements at all.
- 4.14 Additionally, we only have RAM's computer records from June 2000. Prior to that date, we are reliant on RAM's (incomplete) hardcopy files and documentation provided to us by third parties.
- 4.15 To indicate the scale of this problem, of the 639 investors who will be likely to receive a distribution in the liquidation (based on the model described below as the Net Contributions Model), 64 first invested with RAM prior to June 2000.
- 4.16 Nor can we treat all reported investments as at June 2000 as legitimate transactions. As I mentioned above at least 59% of the shareholdings purportedly held by the Ross Group were recorded as held by the fictitious broker, Bevis Marks, on that date and therefore were unlikely to exist.

Volume of transactions purportedly undertaken

- 4.17 The scale of RAM's operations is also a feature of the liquidation.
- 4.18 At the time of RAM's receivership, there were just over 860 investors who believed they had genuine investment portfolios with RAM. (RAM

was purportedly holding 958 individual investment portfolios for these investors. There were 1,720 total portfolios held with RAM, but some of these portfolios had been "closed" prior to our appointment as receivers). RAM's bank statements indicate a significant volume of transactions at any given time. Additionally, RAM's records report large volumes of share sales and purchases occurring, although as I noted above, we cannot rely on RAM's records as accurately recording genuine transactions.

- 4.19 On some days - especially at the beginning or the end of the month - there could be a very large number of transactions on the 00 Account. See for example the table below. Both these example days ended with the Account in overdraft. While the Account was in overdraft on a number of occasions, generally it had a credit balance. If it did drop into overdraft, that would be quickly remedied through the transfer of funds from another bank account.

	2/07/2007	30/06/2010
Opening bank balance	-\$ 79,173.00	\$ 61,997.71
Number of transactions through bank	55	55
Investor deposits	2 \$ 850.00	0 \$ -
Investor withdrawals	48 -\$330,949.10	50 -\$495,279.73
Transfers	2 \$400,000.00	1 \$500,000.00
Share purchases	0 \$ -	1 -\$168,098.62
Share sales and dividends	1 \$ 1,574.98	0 \$ -
Business expenses	2 -\$ 7,910.92	3 -\$ 1,278.09
Closing bank balance	-\$ 15,608.04	-\$102,658.73

4.20 This table shows:

2 July 2007

- (a) The opening bank balance for the RAM 00 account on 2 July 2007 was \$79,173.00 overdrawn.
- (b) There were 55 transactions on the account on that day.
- (c) There were two investor deposits totalling \$850.00.
- (d) There were 48 payments to investors totalling \$330,949.10.
- (e) There were two transfers into the RAM 00 account from the RAM 25 account totalling \$400,000.00.
- (f) There was a deposit into the account of \$1,574.98 relating to share sales and dividends.
- (g) There were two withdrawals for business expenses totalling \$7,910.92.
- (h) The closing bank balance that day was \$15,608.04 overdrawn.

30 June 2010

- (i) The opening bank balance for the RAM 00 account on 30 June 2010 was \$61,997.71.
- (j) There were 55 transactions on the account on that day.
- (k) There were no investor deposits that day.
- (l) There were 50 payments to investors totalling \$495,279.73.
- (m) There was one transfer into the RAM 00 account from the RAM 25 account of \$500,000.00.
- (n) There was a withdrawal from the account of \$168,098.62 relating to the purchase of shares.

- (o) There were three withdrawals for business expenses totalling \$1,278.09.
 - (p) The closing bank balance that day was \$102,658.73 overdrawn.
- 4.21 I also annex at **pages 112 to 135** bank statements for the 00 Account for the month of June 2010 to illustrate the volume of transactions on this account.
- 4.22 The impact of these issues on the Distributions Models proposed is discussed in section 5 below.

5. **Overview of creditors and investors in the Ross Group**

- 5.1 There are 26 potential creditors who were not investors in RAM (the **Creditors**). Their potential claims total \$68,195.69. They are typical trade creditors for a financial services provider, including for example, power, telephone and financial information and data subscriptions.
- 5.2 For the purpose of this application, there are two distinct categories of RAM investors who believed they had investment portfolios with RAM at the time of its liquidation (the **Investors**):
- (a) those investors who at the time of RAM's liquidation, had already been paid more by RAM than they had contributed (referred to below as **Overpaid Investors**). Some of these investors may be subject to a clawback claim as explained below. There are 225 such investors.
 - (b) those investors who, at the time of RAM's liquidation, had been paid less by RAM than they had contributed. In this affidavit I use the term **Shortfall Investors** to describe this group of investors.
- 5.3 For completeness I note that we are proposing a distribution model that applies a CPI adjustment to deposits and withdrawals. This CPI adjustment means:

- (a) 15 Investors who would be Overpaid Investors on a non-CPI adjusted basis become Shortfall Investors; and
- (b) four investors who were paid the same amount from RAM as they contributed to RAM on a non-CPI adjusted basis become Shortfall Investors.

The total value of these investors claims (adjusted for CPI) is \$479,959.58. Accordingly, these 19 Investors are included as Shortfall Investors in the balance of my affidavit.

- 5.4 The Shortfall Investors have collectively paid \$124,709,390.34 to RAM which has not been repaid to them (this figure is adjusted for CPI). There are 639 such investors. (Some of these Shortfall Investors would have received back some, but not all, of the amount they contributed to RAM. This gives rise to a key issue on the distribution models which I explain further below.)
- 5.5 As is detailed in this Application, we are seeking directions that we assess investor claims based on their net contributions balance to RAM. That is, the difference between the amount that investor contributed to RAM and the amount they were paid by RAM, all such sums being CPI adjusted. We propose that no benefit would be given for any purported "profits" on the investments, lost opportunity or other return or uplift on their net contribution to RAM. The effect of this is that Overpaid Investors would not receive a distribution in the liquidation.
- 5.6 We consider that this is the appropriate approach in light of the circumstances of the liquidation and the Supreme Court decision in a clawback proceeding commenced by us against a former investor in RAM.
- 5.7 In mid-2014 we commenced three proceedings against former investors in RAM pursuant to:
 - (a) sections 345 to 348 of the Property Law Act 2007 (the prejudicial disposition provisions);

(b) sections 292 to 295 of the Companies Act 1993 (the **CA**)
(the voidable transaction provisions); and

(c) section 297 of the CA (the undervalue transaction provisions).

5.8 On 22 June 2015 the first of these proceedings was substantively determined (*McIntosh v Fisk* [2015] NZHC 1403). In that proceeding, Mr McIntosh, a former investor in RAM, had contributed \$500,000 to RAM for investment in 2007. In 2011 Mr McIntosh “closed” his purported investment portfolio and was paid \$954,047 by RAM. (For completeness I note there was nothing to suggest that Mr McIntosh believed that he was receiving anything other than the genuine returns on his investment portfolio in RAM.)

5.9 The High Court determined that Mr McIntosh was required to pay to us, as liquidators of RAM, \$454,047. The basis for this decision was:

- (a) the payment of \$954,047 could be challenged as either a prejudicial disposition or a voidable transaction;
- (b) however, Mr McIntosh had a defence to part of the claim as he gave value to RAM of \$500,000 (being the amount of Mr McIntosh’s initial investment, which had been misappropriated by RAM).

The High Court determined that Mr McIntosh had no defence to the claim to repay the amounts in excess of his capital contributions (which became known as “the fictitious profits”).

5.10 Mr McIntosh appealed this decision and we cross-appealed. On 16 March 2017 the Court of Appeal upheld the High Court decision.

5.11 Mr McIntosh appealed the Court of Appeal’s decision and we again cross-appealed. On 26 May 2017 the Supreme Court upheld the Court of Appeal and High Court decision.

5.12 We acknowledge that Overpaid Investors may have various claims against RAM arising from the misappropriation of their investments, which would mean they were still a creditor in RAM. However, there is

ultimately only a very limited pool of assets to distribute amongst significant claims. In particular, Shortfall Investors will receive only a fraction of their net contribution which has been misappropriated by RAM. Recognising Overpaid Investors' claims in respect of "fictitious profits", lost opportunity or the like, would ultimately diminish the pool of assets further (and present costly complexities in attempting to quantify their claims).

6. **Actions since appointment as Liquidators**

6.1 I now detail the main actions we have taken as liquidators.

Analysis of Ross Group assets and creditors

Recreation of cashflows

6.2 We have undertaken a great deal of analysis of the Ross Group's banking records, supported by third party documentation, where available, to reconstruct receipts into and payments from the various bank accounts operated by the Ross Group companies.

6.3 Sources of information for our analysis included:

- (a) bank statements;
- (b) supplementary information provided to us by the Ross Group's bankers on our request (in particular tracing of individual receipts and payments to identify their source or destination accounts);
- (c) information provided to us by recipients of payments (both Investors, Creditors and brokers) in exercise of our powers;
- (d) certain records of the Ross Group including emails, hardcopy files, handwritten cash books, electronic records from RAM's server and the RAM Investor Database; and
- (e) significant information provided to us by Investors including proofs of deposit.

6.4 Using this information, we compiled cashflow records from scratch, to record:

(a) receipts:

- (i) from Investors who deposited money with RAM;
- (ii) from brokers as proceeds of the sale of shares; and
- (iii) sundry receipts;

(b) payments:

- (i) to Investors;
- (ii) to brokers for the purchase of shares;
- (iii) to staff and contractors;
- (iv) for administrative costs; and
- (v) for drawings by Mr Ross.

6.5 We also used RAM's Investor Database to create running account balances for investors, based on deposits into RAM and payments made by RAM, to determine the net contributions balance at the time of RAM's liquidation. Some of these investor balances were then refined using the external information above.

Analysis of bank accounts

6.6 The Ross Group had 15 bank accounts but primarily operated using the 00 Account. This account went in and out of overdraft but generally was in credit.

6.7 Our analysis of the bank accounts has been limited, as we only had full bank statements for the 00 Account for the period from March 2006.

Contact with Investors and Creditors

6.8 As I mentioned above, we have identified:

- (a) 26 general creditors of the company owed in aggregate almost \$70,000; and
- (b) just over 860 Investors who believed they had current investment portfolios (totalling 958 current portfolios) with RAM at the time of its liquidation.

6.9 We have written to all identified current Investors and Creditors of RAM. In particular, we have:

- (a) advertised our appointments as receivers and as liquidators;
- (b) compiled a master list of Investors and Creditors using both information received from the Ross Group and information received from parties who have been prompted to contact us by our advertisements or by word of mouth from other Investors. Where we have been unable to contact people, it is usually because they have moved from their last known address held on RAM's files without updating their contact details;
- (c) issued six monthly reports and numerous updates to Investors updating them on the progress in the receivership and liquidation, which were sent by email or post. These reports and updates are also available on our website
<http://www.pwc.co.nz/services/business-recovery/liquidations/ross-group.html>;
- (d) sent transaction statements to all Investors, asking them to confirm the accuracy of the transactions (deposits and withdrawals) listed for them. Investors in respect of 506 separate portfolios have confirmed their transaction statements, Investors in respect of 27 portfolios have disputed their transaction statements and we have had no contact from Investors in respect of 425 portfolios. These portfolios were held by 384 Investors of whom 212 were Shortfall Investors and 172 were Overpaid Investors. (The disputes from Investors are generally because they consider such transactions statements should include what they believed to be genuine returns earned on their RAM

investments). Some of these transaction summaries have been refined as a result of further analysis of RAM's operations, since the statements were issued in October 2013;

- (e) received voluminous correspondence from Investors proving their transactions, and incorporated the information into our master ledger; and
- (f) identified investors who received significant payments from RAM prior to its liquidation and corresponded with them on possible clawback claims.

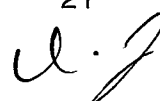
Recovery of assets

6.10 We carried out a number of steps to recover and realise assets for the Ross Group. These steps included the following:

- (a) We sold RAM's physical assets such as office furniture by auction.
- (b) We corresponded with a number of brokers who were purportedly holding shares on behalf of RAM or Dagger, to ascertain which shares were in fact held, and arranged for those shares to be sold, where practicable and cost effective to do so. The sale of shares has produced recoveries of approximately \$3.72 million to date. This is an on-going process as some shareholdings have been relatively illiquid. Some shares have been unable to be sold as there is no market for the shares or some overseas brokers will not take any steps to realise the shares without a court order in their local jurisdiction. While we continue to investigate options to realise these shares in a cost-effective manner, further recoveries are unlikely to be significant. We estimate that only a further \$100,000 is likely to be recovered from such shares.
- (c) We reached confidential settlements with Mr and Mrs Ross and family trusts associated with Mr Ross. This resulted in monetary assets and other assets being provided to us. These assets included some assets which we believed could be traced directly

to Investor funds but the majority of these assets existed prior to RAM's operations and so were not purchased with Investor funds.

- 6.11 We also corresponded with a number of Investors on proprietary claims to shares. Where we considered the Investor had established a valid proprietary claim to specific shares, we obtained court orders when the freezing orders over the Ross Group assets were still in place or, once those freezing orders were lifted, the approval of the Liquidation Committee permitting us to transfer those shares to those investors. The evidence in these situations was usually very clear. For example, specific shares had been held by an investor in his or her name prior to investing in RAM but then transferred into Dagger's name and still held as at the date of liquidation.
- 6.12 Following the High Court decision in *McIntosh* (subsequently confirmed by the Supreme Court) we corresponded with 212 investors and former investors of RAM against whom we considered we had claims to repay amounts they received from RAM in excess of \$5,000.00. To date:
- (a) 136 of those claims have been settled;
 - (b) 10 have agreed settlement but not yet signed the agreement;
 - (c) we have determined it is not cost-effective to pursue 23 claims for various reasons including, for example, investor companies which are now struck off, or where the investor has demonstrated an inability to pay anything; and
 - (d) we are still pursuing 43 investors, against ten of whom we have, to date, commenced court proceedings.
- 6.13 These settlements have resulted in total repayments of \$15,044,879.64 to RAM to 31 October 2017. (This figure includes the amounts paid by Mr McIntosh pursuant to the Supreme Court's decisions in *Fisk v McIntosh*.)
- 6.14 I attach at **pages 136-143** the statements of receipts and payments for each company as at 31 October 2017.



Next steps in the liquidation

6.15 The Liquidators currently hold funds on hand of approximately \$16 million. As at 31 October 2017, this was held in the liquidation as follows:

(a)	RAM	\$14,534,373.17
(b)	Bevis Marks Corporation Limited (in liquidation)	\$341.63
(c)	McIntosh Asset Management Limited (in liquidation)	\$0.00
(d)	Mercury Asset Management Limited (in liquidation)	\$0.00
(e)	Dagger	\$1,130,208.61
(f)	United Asset Management Limited (in liquidation)	\$0.00
(g)	Ross Investment Management Limited (in liquidation)	\$0.00
(h)	Ross Unit Trusts Management Limited (in liquidation)	\$0.00

6.16 We currently have approximately \$14 million available for distribution. This excludes:

- (a) further litigation recoveries resulting from pursuing the clawback claims referred to in paragraph 6.12 above; and
- (b) some funds held back for future liquidation costs, including legal and other costs associated with pursuing those clawback claims above.

6.17 While it may still be some time before the liquidation is finalised, we consider we should make an initial distribution of some of the money we hold to Investors and Creditors as soon as possible.


7. Pooling the assets of RAM and Dagger

7.1 While most of the Ross Group's assets are held by RAM, there are some assets held by its related company Dagger.

7.2 In this application we seek orders allowing us to pool the assets of RAM and Dagger and treat the liquidations of Dagger and RAM as if they were one company. The reasons for this are:

- (a) Save for the express terms of the Management Agreement, Mr Ross appeared to have treated Dagger and RAM as if they were merely facets of the same enterprise.
- (b) Dagger had no employees of its own and operated only through Mr Ross and the two RAM employed administrative assistants.
- (c) Funds held by Dagger, generally comprising the proceeds of the sale of shares, were then paid into the 00 Account to become part of the intermingled pool of assets which was applied for a number of purposes, including payment of RAM's operating expenses.
- (d) Dagger had no trade creditors in its own name. It was simply used by RAM to hold shares.
- (e) As I mentioned above, Dagger was a party to the Management Agreement with investors. Pursuant to the terms of the Management Agreement, Dagger was to hold shares on trust for investors. Due to the nature of the Ponzi, this is not how RAM and Dagger actually operated.
- (f) I understand that Investors are likely to have claims against Dagger as well as RAM, as a party to the Management Agreement and the Ponzi.
- (g) It would be impossible to divide the various Investor claims between RAM and Dagger.
- (h) We consider it almost certain that the shares held by Dagger at the time of its receivership were purchased using Investors' misappropriated funds.

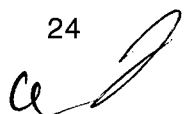
7.3 Accordingly, we consider the fairest approach is for Dagger's assets to be pooled with RAM's assets, for the benefit of RAM's Creditors and

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Investors. As Dagger had no creditors in its own right (save for Investors' claims against it), no other party would be adversely affected by the orders sought.

8. One pool or two pools

- 8.1 As I explained above, the nature of RAM's contractual arrangements with its Investors was that it, and Dagger, would hold the Investor's cash and shares on trust for the Investor. It follows that there will be trust assets held by us, derived from the application and mis-application of Investors' funds. The most obvious example of this is the shares which we have managed to recover and sell.
- 8.2 There are also assets obtained by the Liquidators by the use or threat of legal powers or litigation which I believe are not, or are unlikely to be, traceable to Investor funds. By way of example, as I have said above, some of the assets obtained in the confidential settlement with Mr and Mrs Ross, and their related trusts, predated RAM. Others may have been purchased with Investor funds but the factual position was uncertain. Further, the majority of funds recovered have been as a result of the exercise or threatened exercise of the Liquidators' statutory powers under the Companies Act or Property Law Act.
- 8.3 I understand as a matter of law that there would usually be a need to distinguish between these two classes of asset: those clearly derived as a result of the misapplication of trust assets; and other assets.
- 8.4 If there are two classes of assets, the trust pool of assets would usually be returned only to the trust claimants. That would require determination of:
- (a) the nature and extent of the trust assets;
 - (b) the nature and extent of claims against the trust assets in priority to claims of the Investors (for example, receivership and liquidation costs of recovering assets); and



- (c) the manner of distribution of the trust assets among the Investors having an interest in the trust assets (which may include both Shortfall and Overpaid Investors).

- 8.5 I also understand as a matter of law that, if there are two classes of assets, the general pool of assets would usually be the first call for the costs of receivership and liquidation. The trust pool of assets would only be charged with any shortfall - that is, if the general pool of assets is not sufficient to meet all the costs of the liquidation, the trust pool of assets will be charged with the shortfall.
- 8.6 The differences under the two approaches is the costs of the categorisation exercise which, of necessity, would involve some tracing of investor funds to determine whether they were applied in the acquisition of some of the assets that have been recovered. However, such an exercise would simply be impossible prior to March 2006. As I noted above, we have limited reliable information as to transactions prior to March 2006 (after which time we have complete bank statements). Accordingly, tracing prior to that date would be impossible.
- 8.7 I am not confident that tracing could occur for transactions after March 2006, given the complexity of RAM's operations, the extensive time over which the Ponzi was in operation and the volume of reported transactions. I consider the costs of attempting to do this would be very high and would not seem to be justified on a cost-benefit basis. As indicated above, we have only 26 potential claims so far from general creditors, which total \$68,195.69. That is a fraction of the total claim value; and at an estimated overall distribution rate of 11 cents equates to only approximately \$7,501.45 of the \$14,000,000 available for distribution.
- 8.8 Additionally, I understand there may be some legal issues around how recoveries are to be treated and what 'pool' they should fall into in this case. I understand that bank balances, for instance, comprising funds paid in by Investors, are likely to be trust assets. Likewise, proceeds from the sale of shares purchased using Investors' funds are likely trust assets. In contrast, aspects of the settlements with Mr Ross and

Mrs Ross and related parties or recoveries of “fictitious profits” from clawback claims against former investors comprise several elements and might be classed as general assets.

- 8.9 The costs incurred in the liquidation in recovering trust and non trust assets may also need to be analysed and then allocated between the pools.
- 8.10 We believe that to reach a definitive conclusion on the categorisation of such assets and costs would require additional evidence and analysis and directions from the Court. In general, the likely cost of resolving these issues appears likely to vastly outweigh any benefit to Creditors and Investors to having these issues determined.
- 8.11 The Liquidators’ strong preference, for cost efficiency reasons and the difficulty of factual and legal categorisation, is for there to be one common pool of assets.

9. The Distribution Models

- 9.1 The usual approach to distribution is that all creditors are treated equally, based on the quantification of their claims against the company at the time of liquidation, on a pro rata *pari passu* basis.
- 9.2 However, some members of the Liquidation Committee have advocated for a different approach given the unusual nature of a Ponzi scheme.
- 9.3 For this reason, we have put forward two alternative distribution models: the Net Contributions Model (which I consider is based on the orthodox approach to distributions) and the Alternative Model (which was considered in the distribution application for another Ponzi scheme¹ and which has the support of some members of the Liquidation Committee).
- 9.4 The key difference between the two models is how pre-liquidation payments by RAM to the investor are treated.

¹ *Graham & Jackson v Arena Capital limited (in liq)* [2017] NZHC 973.

Common features

9.5 Both models have the following common features:

- (a) there would be no tracing of particular investor assets due to the significant costs and practical difficulties associated with such an exercise;
- (b) Investors' payments from and contributions to RAM would be inflation adjusted using the Consumer Price Index (**CPI**); and
- (c) only Shortfall Investors would be eligible for distribution payments i.e. not Overpaid Investors.

I briefly explain each of these below.


No tracing

9.6 In light of the issues outlined in section 4 above, Mr Bridgman and I seek a direction that the assets in the one common pool (if so ordered), or (if not) in the trust pool, be distributed without any requirement to trace particular Investors' funds and/or investments.

9.7 I outlined above the issues relating to the extent and duration of the fraudulent operations, the incomplete records of RAM's operations and the volume of transactions carried out (or purportedly carried out) by RAM. These issues mean any full tracing exercise on a first in first out (**FIFO**) basis is practically impossible. Further, even if it could be done for the six years between March 2006 and RAM's liquidation in 2012, it would be a hugely time consuming task, with significant associated costs.

9.8 Any FIFO tracing exercise would need to overcome the following key hurdles:

- (a) As noted above, there were at the time of receivership 958 portfolios purportedly held for just over 860 current Investors. 463 of those investors had first invested with RAM prior to March 2006.



- (b) We have insufficient reliable records prior to March 2006 to enable tracing to be carried out (leaving to one side practicality issues). We cannot rely on RAM generated reports of transfers or purported transfers as we know many of those reports were fictitious. We would be reliant on third party records such as bank statements, which are incomplete prior to March 2006.
- (c) Even post March 2006, tracing would be inherently difficult. As mentioned above, on any given day there were several deposits into the RAM account and numerous withdrawals out of the RAM account. Accordingly, there would invariably be difficulties and disputes regarding which investors' deposits into the intermingled "pool" of investor funds could be traced to a particular purchase of shares, which were funded from the intermingled "pool" of funds.
- (d) The position is further complicated by the not uncommon situation of a broker, under RAM's instruction, purchasing shares using the proceeds of the sale of shares it had previously acquired on RAM's behalf, meaning those proceeds were not ultimately paid into any bank account of RAM. We do not have full broker statements to enable us be able to track such transactions.

9.9 We consider that undertaking such a tracing exercise would therefore take considerable time (if it was possible at all), would incur significant costs and would delay a distribution to Investors.

CPI adjustment

9.10 RAM operated for a period of twenty years. There are some Shortfall Investors who first invested in the early 1990s. Accordingly, we consider it is appropriate to adjust the value of claims to take into account that \$1,000 invested (and misappropriated) in 1992 does not have the same value as \$1,000 invested (and misappropriated) in 2011 and should not be valued the same for the purpose of the distribution in RAM's liquidation. Accordingly, both the Net Contributions Model and the Alternative Model propose to adjust the contributions to, and payments by, RAM for inflation.

9.11 The way in which the CPI adjustment would be calculated is set out as follows:

- (a) Ascertain the All Groups CPI, which is issued quarterly, for all relevant quarters.
- (b) Assume that within a quarter (i.e. between the two CPI measurements), changes in CPI are consistent.
- (c) Use a reference date of 17 December 2012 (being the date of liquidation) and using CPI adjust all payments to and from investors to this date.

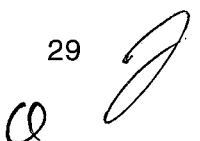
No payment to Overpaid Investors

9.12 For the reasons I have set out above, we do not consider Overpaid Investors should be eligible to participate in the distribution.

Net Contributions Model

9.13 The key difference between the Net Contributions Model and the Alternative Model is how each model calculates the Investor's claim in the liquidation (referred to as the **Reference Debt** below).

9.14 The Net Contributions Model adopts a more conventional approach to distribution by focussing on the amount owed by RAM to the Shortfall Investor as at the date of liquidation. It does so by taking into account all deposits and withdrawals made by the investor and calculating a running account balance taking into account inflation (by using the CPI methodology that I have described above) to the date of liquidation on 17 December 2012. This adjusted figure would become the Reference Debt for that investor.

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- 9.15 The calculation for distribution for that investor would then be:

Calculation for distribution under the Net Contributions Model	
Reference Debt	
X	Rate (Amount available for distribution ÷ sum of all Reference Debts adjusted for CPI)
=	Gross entitlement
=	Distribution

- 9.16 This is illustrated in the following examples:


Example 1: Investor W: Net Contributions Model:

Investor W deposits \$5,000 with RAM on 1 January 2011 (inflated value of \$5,141.61). He withdraws \$2,000 on 1 January 2012 (inflated value of \$2,019.41). His Reference Debt is \$3,122.20. Assuming a Rate of 10 cents in the dollar, his distribution is \$312.22.

Example 2: Investor X: Net Contributions Model:

Investor X deposits \$5,000 with RAM on 1 January 2005 (inflated value of \$6,158.79). He withdraws \$2,000 on 1 January 2012 (inflated value of \$2,019.41). His Reference Debt is \$4,139.38. Assuming a Rate of 10 cents in the dollar, his distribution is \$413.94.

- 9.17 As I outlined above, we consider that this is the orthodox approach to distribution, based on the current state of the law. However, some on the Liquidation Committee feel strongly that this approach is unfair. In particular, the Net Contributions Model unfairly prefers those who received payments prior to the collapse of RAM. This can create a further distinction between those who received payments from RAM prior to its collapse, compared to those who did not.
- 9.18 By way of example, under the Net Contributions Model:
- (a) Consider the position of Investor W in Example 1 (paragraph 9.16) above. Investor's W's total recovery of his/her RAM investment will be \$2,312.23 (being the \$2,000 he/she was paid

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prior to the collapse of RAM and a distribution in the liquidation of \$312.23).

- (b) Assume Investor Y also deposited \$5,000 with RAM on 1 January 2011. Assume Investor Y did not withdraw any funds from RAM before its collapse. Her Reference Debt will be \$5,141.61. Assuming a rate of 10 cents in the dollar, Investor Y will receive a distribution of \$514.16.

9.19 That is, the effect of the Net Contributions Model is that despite Investor W and Investor Y making the exact same investment in RAM on the same day, Investor W still makes a greater overall recovery of his capital investment than Investor Y.

9.20 In contrast, the Alternative Model seeks to take into account payments received by an Investor from RAM when calculating the distribution to an Investor in order to ensure greater equality between investors.

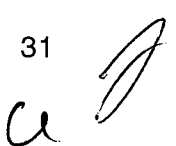
Alternative Model

9.21 The first step in the Alternative Model is to calculate a “provisional” Reference Debt for each Investor which is the total amount the investor contributed to RAM, adjusted for inflation (using the CPI methodology that I have described above). Any withdrawals are not considered at this stage.

9.22 A provisional distribution rate is applied to the Reference Debts.

9.23 This allows a provisional gross entitlement to be calculated for each investor. This provisional gross entitlement figure for each investor is then compared to the total of all payments made by RAM to that investor (adjusted for CPI):

- (a) If the CPI adjusted payments are less than the provisional gross entitlement then the balance becomes the Investor’s distribution entitlement.

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- (b) If the CPI adjusted payments are greater than the provisional gross entitlement then the Investor is not entitled to any distribution.

9.24 There is an obvious relationship between the distribution rate, the amount of the distribution and whether or not an investor is entitled to a distribution. So iterations of the model are run with different rates of distribution until the position is achieved that the amount available for distribution is distributed.

9.25 Ultimately distribution is more focussed on a sum per investor. There is no uniform rate (% or cents on the dollar). Investors who have not withdrawn any funds would be entitled to a distribution in the liquidation at the full provisional distribution rate. Those who had withdrawn some funds but less than their provisional gross entitlement under this Model would receive a lower effective distribution rate in the liquidation (as their pre-liquidation payments from RAM are taken into account).

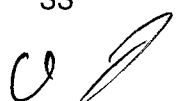
9.26 In the example of Investor W in Example 1 at paragraph 9.16 above, on this approach:

- (a) The Reference Debt is \$5,141.61. Assuming a provisional rate of 10 cents in the dollar, the gross entitlement would be \$514.16.
- (b) However, as Investor W has already received \$2,019.41 (adjusted for inflation) from RAM prior to its liquidation, which exceeds the gross entitlement, Investor W will receive no distribution from the liquidation.
- (c) Accordingly, Investor W's total recovery of his RAM investment would be \$2,019.41.

9.27 By way of further example, consider as a theoretical example Investor Z who deposited \$5,000 with RAM on 1 January 2011 (inflated value of \$5,141.61) and withdrew \$200 on 1 January 2012 (inflated value of \$201.94). Investor Z would receive a distribution of \$312.22, being the gross entitlement of \$514.16 less the amount previously received of \$201.94 (adjusted for inflation). Accordingly, Investor Z's total recovery

would be \$514.16 – the same as that of Investor Y above (at para 9.18), after inflating the receipt on 1 January 2012.

- 9.28 These are some straightforward illustrations of how each of these distributions models are applied. However, as I detail below, the distributions models will have a very significant impact on a large number of investors.
- 9.29 I set out below several worked examples for Investors A, B, C, D, E. These examples relate to real RAM investors and the effect of the different proposals on them, but have been anonymised. The examples below calculate the distribution under the Net Contributions Model, the distribution under the Alternative Model and the difference between the two methodologies.
- 9.30 I have chosen the example Investors to show the range of effects of the different methodologies – as can be seen Investor A is the investor most negatively affected by the Alternative Model and Investor E is the investor most positively affected by the Alternative Model. (For the avoidance of doubt, both methodologies distribute \$14 million among the investors. Negative impacts are in red).

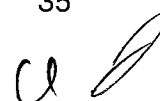


	Investor A	Investor B	Investor C	Investor D	Investor E
Contributions	\$7,800,004.74	\$627,752.63	\$343,871.63	\$627,085.40	\$2,447,857.22
Withdrawals	(\$2,185,040.76)	(\$146,146.64)	(\$25,452.19)	\$0.00	(\$30,736.95)
Net Contributions	\$5,614,963.98	\$481,606.00	\$318,419.44	\$627,085.40	\$2,417,120.27
Distribution: Net Contributions Model					
Reference Debt	\$5,614,963.98	\$481,606.00	\$318,419.44	\$627,085.40	\$2,417,120.27
Distribution Rate	11.23%	11.23%	11.23%	11.23%	11.23%
Distribution	\$630,341.43	\$54,065.57	\$35,746.08	\$70,397.23	\$271,348.32
Distribution: Alternative Model					
Reference Debt	\$7,800,004.74	\$627,752.63	\$343,871.63	\$627,085.40	\$2,447,857.22
Maximum Distribution Rate	18.23%	18.23%	18.23%	18.23%	18.23%
Maximum Distribution	\$1,421,904.37	\$114,436.37	\$62,686.19	\$114,314.73	\$446,232.92
Pre-liquidation capital returns	(\$2,185,040.76)	(\$146,146.64)	(\$25,452.19)	\$0.00	(\$30,736.95)
Distribution	\$0.00	\$0.00	\$37,234.00	\$114,314.73	\$415,495.97
Positive / (Negative) Impact of Alternative Model	(\$630,341.43)	(\$54,065.57)	\$1,487.92	\$43,917.50	\$144,147.65

9.31 The total amount for distribution under each model is the same. However, the effect of the Alternative Model is, broadly, twofold:

- (a) The number of investors eligible for a distribution would reduce from 639 under the Net Contributions Model to 418 under the Alternative Model. See for example Investors A and B above who would be eligible for a distribution under the Net Contributions Model, but would not be eligible for any distribution under the Alternative Distributions Model.
- (b) The effect of this is to increase the likely distribution from 11.23 cents in the dollar under the Net Contributions Model (based on a funds distributed of \$14 million) to a maximum of 18.23 cents in the dollar under the Alternative Distributions Model for those eligible for a distribution. Only those investors who made no withdrawals prior to the collapse of RAM would receive the full 18.23 cent distribution in the liquidation.

9.32 I set out a table below, showing the differences between the two models. I explain what this table shows below.



Distribution Overview				
	NCB Model		Alternative Model	
Distribution %	11.23%		18.23%	
Distribution amount	\$14,000,000.00		\$14,000,000.00	
Investors included	639		418	
Impact of Alternative Model				
Value of impact	Impact Negative		Impact Positive	
	Number	Value	Number	Value
\$1 - \$100	6	\$259.54	1	92.36
\$101 - \$500	12	\$3,105.78	12	\$4,432.26
\$501 - \$1,000	9	\$7,003.82	36	\$26,337.04
\$1,001 - \$5,000	67	\$201,893.55	110	\$330,256.54
\$5,001 - \$10,000	43	\$302,265.24	87	\$659,598.18
\$10,001 - \$50,000	92	\$2,091,151.83	129	\$2,891,465.17
\$50,001 - \$100,000	16	\$1,113,617.54	10	\$680,741.92
\$100,001 - \$500,000	5	\$615,587.87	3	\$399,303.13
\$500,000 +	1	\$630,341.43	-	-
	251	\$4,965,226.60	388	\$4,965,226.60
Comparison of Models				
	NCB Model		Alternative Model	
Mean	\$19,828.82		\$12,860.55	
Median	\$8,063.67		\$7,320.67	
Minimum	\$0.98		\$112.05	
Maximum	\$630,341.43		\$144,785.50	

9.33 As this table shows, 251 investors will be worse off under the Alternative Model compared to the Net Contributions Model. The average negative impact for these investors is \$19,828.82. However, there are some outliers who will be significantly affected by this Distributions Model, as follows. (The figures below include both investors who are not eligible for a distribution under the Alternative Model and those who will still receive a distribution, but of a lesser amount).

- (a) 92 investors will be between \$10,001 and \$50,000 worse off under the Alternative Model.

- (b) 16 investors will be between \$50,001 and \$100,000 worse off under the Alternative Model.
 - (c) Five investors will be between \$100,001 and \$500,000 worse off under the Alternative Model.
 - (d) One investor will be \$630,341.43 worse off under the Alternative Model. (This investor has a Reference Debt under the Net Contributions Model of \$5,614,963, but would not receive any distribution under the Alternative Model).
- 9.34 On the other hand 387 investors will be better off under the Alternative Model compared to the Net Contributions Model. The average difference for these investors is \$12,860.55. In particular:
- (a) 129 investors will be between \$10,001 and 50,000 better off under the Alternative Model.
 - (b) Ten investors will be between \$50,001 and \$100,000 better off under the Alternative Model.
 - (c) Three investors will be between \$100,001 and \$500,000 better off under the Alternative Model.
- 9.35 See also the table at **page 144** of the bundle of exhibits.
- 9.36 I have referred above to my understanding of the Net Contributions Model in liquidations. The Alternative Model is not consistent with that approach, as Investors would receive different rates of distribution against their debts (i.e. what they were still owed by RAM) at the date of liquidation. Rates of distribution would range from \$0.00 per dollar of debt at the date of liquidation, to \$0.1823 per dollar of debt at the date of liquidation. The vast majority (357 of the 418 Shortfall investors who would receive a distribution under the Alternative Model) would be at the \$0.1823 rate.
- 9.37 The Alternative Proposal also has the effect of essentially treating pre-liquidation capital returns as voidable transactions, without having to go

through the usual Court processes for seeking recovery of pre-liquidation payments (with the associated defences).

10. **Inter-portfolio transfers**

10.1 RAM permitted Investors to transfer “value” from their RAM investment portfolio to another Investor’s RAM investment portfolio. This would occur in instances such as:

- (a) a jointly held portfolio might be split into individual portfolios, with one investor retaining the original portfolio and half the value being transferred to establish a new portfolio in the name of the other investor.
- (b) a parent might “transfer” a specified amount or specified shareholdings (which did not in fact exist) to establish a RAM portfolio in their child’s name.
- (c) an investor might “transfer” a specified amount or specified shareholdings (which did not in fact exist) to establish a portfolio in the name of a related trust.

10.2 However, as RAM was operating a Ponzi scheme, the reported transfers were almost inevitably a fiction as the assets “transferred” did not exist; or existed only in part.

10.3 The Liquidators’ general approach to inter-portfolio transfers in the context of assessing clawback claims is to recognise the transfer as a transfer of value only to the extent of any positive net contributions balance in the transferring portfolio’s account.

10.4 That is:

- (a) where the transferring portfolio already had a negative net contributions balance at the time of transfer (i.e. the transferring investor had already been paid by RAM more than they had contributed) we have not recognised any transfer on the basis that the transferring portfolio had no “value” to transfer;

- (b) otherwise we have recognised the transfer as a valid transfer of value only up to the value of the positive net contributions balance existing at the time of the transfer.

10.5 We seek an order which confirms this approach is the correct way to deal with inter-portfolio transfers for the purposes of distribution unless extraordinary circumstances apply. However, I note that for the purpose of calculating the net contributions balance at the time of the transfer for distribution purposes, the contributions and withdrawals would be CPI adjusted.

10.6 There are a few limited exceptions to this, where due to the particular circumstances of the transfer, we considered a different approach was appropriate. I will give one example (in relation to a matter which was the subject of a clawback claim which then settled with some funds being returned to the Liquidators):

- (a) A portfolio was closed and the balance directed to be allocated between five persons. At the time of the purported closure, the portfolio had a net contributions balance of approximately \$300,000, although the reported value of the portfolio was approximately \$750,000. Four persons took their "share" as transfers to individual RAM portfolios (about \$150,000 each) and a few days after those "transfers" were recorded, the remaining person was paid their "share", being around \$150,000 as a cash withdrawal.
- (b) Our usual approach would see the net contributions balance of \$300,000 allocated equally between the five people, with each receiving value of \$60,000. However, in recognition of the fact that the withdrawal and transfers were intended to be one transaction, and that the cash withdrawal was a real transaction, as opposed to the fiction of inter-portfolio transfers, we recognised the withdrawal to its full value and the remaining \$150,000 net contribution was then split between the inter-portfolio transfers.

- 10.7 This is simply an example of where we considered a different approach was warranted. Each exception has been due to its own particular circumstances. However, there have been a very limited number of exceptions.
- 10.8 We propose that these exceptions or oddities be dealt with on the basis that if, because of extraordinary circumstances, the normal direction on inter-portfolio transfers is unjust or ineffective then the Liquidators may apply a reasonable and logical alternative methodology with leave for the affected investors to apply to the Court if they wish to contest the Liquidators' decision.

11. **Ancillary Orders**

- 11.1 Mr Bridgman and I have proposed a number of ancillary directions. My affidavit outlines the reasons for five of these directions:
- (a) the appointment of counsel to assist the court;
 - (b) the directions as to service of the Application;
 - (c) directions as to the proof of debt procedure;
 - (d) confidentiality orders over pages 112-135 of the Exhibits; and
 - (e) costs.

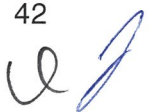
Appointment of counsel to assist the court

- 11.2 We have proposed that the Court appoint counsel to assist the court in respect of (at least) the appropriate distributions model.
- 11.3 From our discussions with Investors, we are aware that some Investors have strong views as to the appropriate distributions model. Therefore, we consider that there needs to be some mechanism which allows submission on the different distributions models to be presented to the Court in a manner which is independent from Mr Bridgman and me, as the Liquidators.

- 11.4 We have proposed Mr Paul Chisnall as the counsel assisting the court. Mr Chisnall is an experienced insolvency and litigation lawyer, who is known for being pragmatic and efficient. He has also previously acted as counsel assisting the court. He has filed a memorandum which accompanies this application.
- 11.5 Mr Chisnall has confirmed to us that he is not conflicted in accepting the appointment, as he is not currently acting for any RAM investor, who may be affected by the outcome of the distributions application or is subject to a possible clawback claim. For completeness I note that Mr Chisnall has previously acted both for and against PwC partners, including myself and Mr Bridgman, in our capacities as receivers or liquidators of various companies (as would any experienced insolvency litigation lawyer).
- 11.6 We have discussed the appointment of counsel assisting the court with the Liquidation Committee. The Committee are generally supportive of this although at least one would prefer Mr Chisnall be appointed to act in the interests of only the investors who benefit from the Alternative Model.
- 11.7 I have asked the Liquidators' lawyers (Bell Gully and Mike Colson) to focus on the benefits of the Net Contributions Model in this application but to do so in a responsible and fair manner; while acknowledging the merits of the Alternative Model.
- 11.8 I suggest, with respect to the Court, that Mr Chisnall be authorised by the Court to take the reverse approach. That is, to focus on the benefits of the Alternative Model; while acknowledging the merits of the Net Contributions Model. This would seem to me to allow for proper argument on this important issue in a manner that ensures all issues are properly ventilated.
- 11.9 I have therefore sought a direction in this regard; but recognise it is entirely an issue for the Court to decide if this is appropriate.

Service of the Application on affected investors

- 11.10 Personal service of the Application on all Investors would be time consuming and costly. It would delay determination of the application and would incur significant costs, which would, of course, ultimately be to the detriment of the Investors.
- 11.11 Accordingly, we have proposed that we serve the Application by way of:
- (a) publishing the Application on PwC's website on its webpage dedicated to the Ross Group liquidation, <http://www.pwc.co.nz/services/business-recovery/liquidations/ross-group.html>;
 - (b) emailing a link to the Application to all RAM Creditors and Investors where we have a last known email address; and
 - (c) where no email address is held, sending a letter to such Investors' last known postal address advising of the Application, a summary of the Application and directing Investors to the Liquidators' website for more information and a copy of the court documents.
- 11.12 This is the way in which we have generally communicated key information about the Ross Group liquidation to affected Investors throughout the liquidation.
- 11.13 We have postal or email addresses for all but 59 of the Investors. We have no knowledge of the location of the 59 remaining investors. However, the liquidation of RAM, and the fact that it was a large scale Ponzi operation, has been extensively covered in New Zealand media over the past five years. This media coverage has caused a number of investors to contact us. Despite this extensive coverage, these investors have not made contact with us. Therefore, we expect that it could be difficult to promptly and cost-effectively locate these remaining 59 investors, to bring the Application to their attention.



11.14 I note that:

- (a) of those 59 Investors, 49 are Shortfall Investors; that is, they would be likely to receive a distribution under the Net Contributions Model.
- (b) of those 49 Shortfall Investors, nine have a net contributions balance of above \$100,000. We will be making active enquiries to try to locate these nine investors for service of the Application, but do not wish for those enquiries to hold up determination of the Application.

11.15 I note, for completeness, that this application has already been the subject of a feature article in the Dominion on 13 November 2017.

11.16 Accordingly, we consider that the orders sought are:

- (a) the most cost-effective and timely way to effect service of the Application on such a significant number of people; and
- (b) likely to bring the Application to the attention of around 90% of persons who would have an interest in the Application.

Proofs of debt

11.17 We expect that using the standard claim form as prescribed by the Liquidation Regulations to ascertain claims of Investors in the liquidation will be problematic.

11.18 The quantum of each Investor's claim in the Liquidation will depend on three factors:

- (a) the "net contributions balance" resulting from the summary of their transactions with RAM;
- (b) outcome of this Application: that is – which distributions model is to be adopted; and
- (c) the effect of the CPI adjustment on their claim.

Most investors will only know, at best, their net contributions balance. They will be unable to calculate their own CPI adjustment – which we need to ensure is done on a consistent basis. Also we expect that we will likely need to explain to them the effect that the Court's orders on this Application will have on their claim in the liquidation.

11.19 Against this, it makes no sense to us to require an Investor to fill out a blank form detailing their claim. It will likely cause confusion and be time intensive, as we and PwC staff will need to instruct Investors individually on how to fill out the claim form. This will of course have a resulting cost to the liquidation.

11.20 Accordingly, we have proposed the following process:

- (a) we will provide to each Investor entitled to a distribution in the Liquidation a statement:
 - (i) summarising their net contributions transactions with RAM (i.e. deposit to RAM and payments from RAM); and
 - (ii) stating their claim in the liquidation based on the distribution model determined by this Court as applicable;

(the **Transaction Summary**);

- (b) once the Investor signs the Transaction Summary, the signed Transaction Summary is deemed to be the requisite claim form for the purpose of the Companies Act Liquidation Regulations 1994 (the **Liquidation Regulations**) and section 304 of the Companies Act 1993;
- (c) if the Investor wishes to object to the Transaction Summary, they must do so in writing, detailing the grounds for the objection, no later than:
 - (i) 20 working days after the Transaction Summary was sent to them, if it was sent by email;

- (ii) 30 working days after the Transaction Summary was sent to the Investor, if it was sent by post to an address in New Zealand; and
- (iii) 40 working days after the Transaction Summary was sent to the Investor, if it was sent by post to an address outside of New Zealand;
- (d) the Liquidator must make a decision in relation to a written objection within 20 working days and this decision is deemed to be the admission or rejection of the claim (in whole or in part) for the purposes of section 284 of the Companies Act 1993; and
- (e) the Investor can then elect to challenge the decision of the Liquidators in respect of their claim in the usual way.

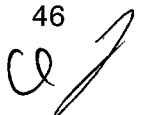
In our view, this is the most efficient, expeditious and cost-effective way to receive claims forms from investors.

11.21 We have also sought orders that where an Investor has not signed the Transaction Summary for a period of six months after it was issued (and has not objected to the Transaction Summary in writing) or where the Investor cannot be located to be provided with a Transaction Summary, their distribution, as detailed in the Transaction Summary be treated as unclaimed monies. We are conscious that given the large volume of Investors and Creditors, and that we do not have any contact details for 59 of them, that there may be some distributions that we have been unable to pay out at the end of RAM's liquidation. These orders would enable us to wind up the Ross Group liquidation when the liquidation is complete.

Confidentiality orders

11.22 Confidentiality orders are sought over pages 112-135 of the bundle of exhibits annexed to this affidavit. Those pages compromise one month of bank statements from the 00 Account. They have been produced to illustrate to the Court the volume of transactions through the 00 Account – see the discussion at paragraphs 4.20-4.21 above.

- 11.23 Those bank statements have been provided to the Court on an unredacted basis. That is, they contain information that will likely identify some, if not all, of the investors who deposited funds into the 00 Account or were paid funds from the 00 Account during that period. The identity of those individual investors is not relevant to this Application.
- 11.24 I am personally aware of the utter devastation that RAM's collapse has had for many investors. It has been so devastating for some investors, that it has affected their mental health. I am also aware that some investors have kept their involvement as affected investors in RAM secret from their family and friends.
- 11.25 Accordingly, since the outset of the Ross Group liquidation, I have been concerned to maintain investor confidentiality. We have sought, and obtained, a number of orders from this Court previously, to maintain that investor confidentiality. For example:
- (a) When we were appointed liquidators on 17 December 2012 we sought, and obtained, an order that in complying with our duties under section 255 of the Companies Act 1993 (i.e. preparing a list of creditors) we were to keep that list confidential.
 - (b) When we have sought directions as to whether individual investors had valid proprietary claims, we sought and obtained orders that the supporting affidavits and exhibits be kept confidential. When the Court has made orders on these applications however, it has published the names of the relevant proprietary claimants.
 - (c) When we sought directions from the Court as to the correct procedure for clawback proceedings against RAM investors, we sought and obtained directions that the file could not be searched without leave of the Court, as it referred to the identity of investors who were defendants to such clawback claims in circumstances where those proceedings had been settled, or had not yet had their first call.



- 11.26 The orders sought are consistent with the previous confidentiality orders granted. We will however be making the unredacted pages available to counsel assisting the court.
- 11.27 In my view, there is no reason for the investors identified in pages 112-135 to be so publicly identified, particularly given that such identification will likely cause them significant and unnecessary distress.


Costs

- 11.28 Finally, we have sought an order confirming that the costs associated with the identification and recovery of assets, and the distribution of them to Investors and Creditors of RAM (and the costs of this application) are to be deducted from the common pool of assets (if our application is granted).
- 11.29 At the time the liquidation orders were made, the Court approved the Liquidators rates for remuneration. A copy of the sealed order is attached at **page 145**.
- 11.30 Finally, we have regularly reported to the Liquidation Committee and investors generally on the costs of the liquidation (Liquidators and legal). These have been significant given the issues that we have had to deal with. The vast majority of these fees have related to achieving recoveries for investors – mostly via threatened or actual clawback litigation against Investors.

11.31 The Liquidators' fees to 31 October 2017 in respect of the liquidations of RAM and Dagger have been approximately \$1,500,000 relating to over 6,000 hours with an average hourly rate of just over \$260 per hour. We have also incurred legal fees over the same period of approximately \$2,500,000. This relates to approximately 8,550 hours of legal work at an average hourly rate of just over \$290 per hour. These figures exclude GST and disbursements.

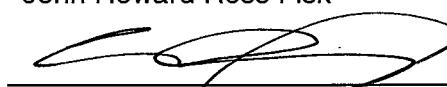
Sworn at Wellington

on 11 December 2017



John Howard Ross Fisk

before me:



A Solicitor of the High Court of
New Zealand

Charlotte Aimee Elizabeth Carey
Solicitor
Wellington

This is the bundle of exhibits marked "JF-1" referred to in the Affidavit of

John Howard Ross Fisk

Sworn at Wellington this 11th day of December 2017 before me



A Solicitor of the High Court of New Zealand

Charlotte Aimee Elizabeth Carey
Solicitor
Wellington

Report to the High Court of New Zealand on the Affairs of Ross Asset Management Limited and Related Entities (In Receivership)

13 November 2012

The Registrar
High Court of New Zealand
Molesworth Street
Wellington 6011

13 November 2012

Dear Sir / Madam

Report to the High Court on the Affairs of Ross Asset Management Limited and Related Entities (In Receivership) ("the Ross Group" or "the Group") comprising:
Ross Asset Management Limited (In Receivership)
Bevis Marks Corporation Limited (In Receivership)
Dagger Nominees Limited (In Receivership)
McIntosh Asset Management Limited (In Receivership)
Mercury Asset Management Limited (In Receivership)
Ross Investment Management Limited (In Receivership)
Ross Unit Trusts Management Limited (In Receivership)
United Asset Management Limited (In Receivership)
Chapman Ross Trust (In Receivership)
Woburn Ross Trust (In Receivership)
Mr David Robert Gilmour Ross (In Receivership)

Please find attached our report in respect of the above matter. This report is lodged with the Court pursuant to the Orders of the Court of 6 November 2012, whereby the undersigned were appointed Receivers and Managers of the Ross Group pursuant to the provisions of the Financial Advisers Act 2008 (subpart 4).

Please feel free to contact John Fisk on 04 4627486 should you have any inquiries on this matter .

Your faithfully



John Fisk

Receiver and Manager

PwC



David Bridgman

Receiver and Manager

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Appendix I - Restrictions

Appendix II – Ross Group structure

Appendix III – Company search for Vivian Investments Limited

Appendix IV – Copy of our letter of 8 November 2012 to investors

Appendix V – Schedule of investments identified to date and reconciliations undertaken

1. Executive summary

- John Fisk and David Bridgman have been appointed as Receivers and Managers of David Robert Gilmour Ross and the Ross Group of entities pursuant to orders of the High Court at Wellington dated 6 November 2012, following an application made by the Financial Markets Authority under the Financial Advisers Act 2008 (subpart 4). They are being assisted by Richard Bodman and Kris Renouf of First NZ Capital ("the Advisors") to identify and preserve the assets of the Ross Group consistent with the preservation provisions of the Financial Advisers Act 2008.
 - We were required pursuant to the Court orders to report to investors within 48 hours of our appointment. We have identified 1,720 individual investor accounts holding purported investments of \$449.6 million. We have written to investors on 8 November 2012 and asked that they confirm their understanding of their investments made through the Ross Group. We are very conscious that this is a distressing time for investors and we are working urgently to verify the position of the Group, the status of the investors' portfolios and then to communicate with investors further on these matters.
 - We are also required to report to the High Court within five working days of our appointment and that is now done via this report.
 - Our focus since appointment has been, with the assistance of the Advisors, to undertake urgent inquiries to determine the current status of investors' portfolios and identify the investments held by the Ross Group that support those portfolios. As yet we have not formulated or implemented any realisation strategy for those investments. We are likely to require further directions from the Court in this regard.
 - Our work to date has been complicated as our understanding is that Mr Ross personally made most of the investment and other decisions within the Group. Mr Ross is currently hospitalised and has been unable to provide any assistance in relation to a number of fundamental issues.
- The records and systems of the Group are not of a standard we would expect to see in a business of this scale and nature. Databases do not appear to have been updated and reconciled on a regular basis to reflect transactions and we have been required to locate and, in some instances, recreate records.
 - With the assistance of the Advisors, a systematic approach to identifying and recording investments held by the Group has been applied. We have sourced and inspected records of the Group held by the FMA, the Group and other parties. A significant level of communication has been undertaken with brokers, share registries, banks and other parties. This process is ongoing and we are also considering other investigations which could be undertaken, although we are extremely mindful of the costs and benefits of undertaking such inquiries to ensure the best outcome is achieved for investors.
 - The Group's own records and databases record that the majority of investments (\$437.6 million) are held under the name "Bevis Marks" and relate to equity securities purportedly held in Australian, American and Canadian companies. The remaining investments are recorded as being in the names of the other Ross Group entities.
 - To date we have only been able to identify \$10.214 million of investments held by various parties such as brokers, registries, banks etc. Only a small portion of these are shown as held by "Bevis Marks".
 - Accordingly there is a significant gap in the identified market value of the Group's investments as against the amounts reported in investors' portfolios. We wish to emphasise that our inquiries are ongoing and the level of assets could change as we receive further information.

1. *Executive summary (cont'd)*

- An analysis of the movements in investors funds', as evidenced by the Group's own records and bank statements, show that there have been considerable net withdrawals of investors' funds over the last five years. Total investor withdrawals and management fees charged by Ross Asset Management Limited have exceeded contributions by more than \$60 million during this period.
- Our analysis to date indicates that it is likely the historical returns advised to investors are exaggerated and may possibly be fictitious. Therefore the actual cash loss that may eventually be suffered by the remaining investors will differ from the amounts currently showing as the "value" in individual investors' portfolios.
- We are required to report to the Court as to whether we believe any of the entities currently subject to receivership should be removed from receivership. Given that there are still existing inquiries to be completed and the likelihood of new inquiries commencing, we do not believe any of the entities currently in receivership should be removed from receivership.
- We have identified a further three entities within the Ross Group (i.e. Ace Investments Limited or Ace Investment Trust Limited or Ace Investment Trust; Vivian Investments Limited and Ross Units Trusts Limited) which we consider should be subject to receivership or whatever other processes the Court may determine.
- In our opinion the Investment Fund managed by the Ross Group is insolvent as it cannot repay the value of portfolios reported to investors as they become due in the ordinary course of business. Furthermore the value of the Investment Fund's assets which have been identified to date is very substantially less than the reported aggregate investor portfolio values.
- It is important that a recovery strategy is immediately addressed to maximise investor interests and that strategy must take account of the cost-benefit of undertaking future investigations which may not reveal any further information that would increase the likely recovery to investors.
- This strategy and the ongoing process of administering the affairs of the Ross Group needs to be conducted alongside any ongoing inquiries by the Financial Markets Authority and / or other regulatory authorities.
- Having considered the results of our investigations to date and the current status of the Ross Group, we recommend that the Ross Group entities be placed in liquidation because this will best meet the objectives stated above.

2. Appointment of Receivers and Managers and Advisors

John Howard Ross Fisk and David John Bridgman of PwC were appointed Receivers and Managers of the following entities by the High Court in Wellington on 6 November 2012 following an application made by the Financial Markets Authority (“FMA”) under the Financial Advisers Act 2008 (Subpart 4).

Ross Asset Management Limited (In Receivership)
Bevis Marks Corporation Limited (In Receivership)
Dagger Nominees Limited (In Receivership)
McIntosh Asset Management Limited (In Receivership)
Mercury Asset Management Limited (In Receivership)
Ross Investment Management Limited (In Receivership)
Ross Unit Trusts Management Limited (In Receivership)
United Asset Management Limited (In Receivership)
Chapman Ross Trust (In Receivership)
Woburn Ross Trust (In Receivership)
Mr David Robert Gilmour Ross (In Receivership)
together “the Ross Group” or “the Group”

The appointment is in accordance with the provisions of the Financial Advisers Act 2008 and in conjunction with the provisions of the Receiverships Act 1993, the Companies Act 1993 and the High Court Rules.

The effect of our appointment is that we have assumed control of the Ross Group and are provided with the various powers to manage the affairs and assets of the Ross Group. The Court also ordered that the Receivers and Managers immediately appoint Richard William Bodman and Kris Renouf of First NZ Capital (together “the Advisors”) to provide assistance and expert advice as may be required to enable the Receivers and Managers to identify, recover, preserve and manage the property of each of the members of the Ross Group. We confirm this appointment has been made.

In terms of the orders of the High Court we are required to report to the High Court within five working days of our appointment outlining our appointment and the actions undertaken to date, along with our findings and recommendations as to the likely next steps and future for the Ross Group.

More specifically the Court has ordered we report on the following matters:

- (i) Whether any relevant person not subject to receivership should in our opinion have a receiver appointed
- (ii) Whether any of the relevant persons now subject to receivership should in our opinion be released from that receivership
- (iii) Whether in our opinion the powers granted by the Court’s original order should be varied modified or extended in any manner and if so in what way
- (iv) Provide a report updating the Court and investors as to the steps that have been taken and the status of our inquiries into the business of Ross Asset Management Limited and related entities including with respect to:
 - Assets held, whether directly or indirectly, by the entities in receivership on behalf of customers of those entities
 - The names of current customers of the entities in receivership

2. Appointment of Receivers and Managers and Advisors (cont'd)

- The value of portfolios held on behalf of the customers of the entities in receivership. To the extent that it is not possible to value an investor's portfolio, the Receivers are to report on the values attributed to each portfolio in the last statement to investors and separately on the identity of assets held to meet such liabilities and current information on their value.
- (iv) All such other matters as may require consideration by this Court in furtherance of the purposes of Subpart 4 of the Financial Advisers Act 2008 and the orders now made.

With regard to these matters we outline our actions and investigations to date in the following sections of this report.

This report is subject to the Restrictions set out in Appendix I. Subject to order of the High Court, all information contained in this report is provided in accordance with Sections 23, 26 and 27 of the Receiverships Act 1993. Furthermore in preparing this report we have relied upon and not independently verified or audited information or explanations provided to us.

3. Structure of the Ross Group and business activities

As noted under Section 2 of this report we have been appointed to eleven entities comprising the Ross Group. The structure of the Group is set out in Appendix II.

David Ross is the sole director of each of the limited liability entities and is a shareholder in each entity. In some instances his shareholding is held jointly either with his brother, Gregory J Ross or his wife, Jillian E Ross.

We have not yet been able to meet with David Ross as he is currently hospitalised. However, we have had contact with Gregory Ross, Jillian Ross and their legal advisors, all of whom have provided some assistance with our inquiries. We have also been provided with assistance by two former employees of the Ross Group.

As far as we have been able to determine, the business activities of each of the entities within the Ross Group are as shown in the table opposite. Whilst the orders of the High Court extend only to our appointment to all the entities and Mr Ross personally, we have identified three further entities within the Ross Group which are not subject to the orders as follows:

- **Ace Investment Trust**, which is also noted in the records of the Group as Ace Investment Trust Limited or Ace Investments Limited (collectively referred to as “**Ace**”). This entity (or entities), as the case may be, is the registered owner of various share and other investments.
- **Vivian Investments Limited (“Vivian”)** which is also the registered owner of various share and other investments.
- **Ross Unit Trusts Limited** – which has various shares registered in its name.

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Entity	Key Activity(s)
Ross Asset Management Limited	Key trading entity – fund and investment manager, nominee company and possibly custodial trustee
Dagger Nominees Limited	Equity / investment owning entity and trader, nominee company and possibly custodial trustee
United Asset Management Limited	Equity / investment owning entity and trader, nominee company and possibly custodial trustee
Bevis Marks Limited	Equity / investment owning entity and trader, nominee company and possibly custodial trustee
McIntosh Asset Management Limited	Equity / investment owning entity and trader, nominee company and possibly custodial trustee
Mercury Asset Management Limited	Equity / investment owning entity and trader, nominee company and possibly custodial trustee
Ross Investment Management Limited	No activity identified as yet
Ross Unit Trusts Management Limited	No activity identified as yet
Woburn Ross Trust	Family Trust owning real property
Chapman Ross Trust	Family Trust owning real property

We have been unable as yet to determine any history surrounding Ace.

We have noted an entity named Vivian Investments Limited was registered on the NZ Companies Office register. This entity was liquidated and struck off the register on 7 November 2007 and a copy of the Companies office search is attached as Appendix III. It is possible that this may be the entity referred to earlier.

3. Structure of the Ross Group and business activities (cont'd)

The indications in respect of Ross Unit Trusts Limited are that it may simply be the use of an incorrect name rather than the existence of a separate entity.

We have also been advised that the Ross Group may have had an entity based overseas although we have not yet sighted any evidence of this. We have instructed our offices overseas to undertake inquiries to identify any such entity.

Notwithstanding the number of entities within the Ross Group which appear to own assets or have them registered in their name and for which documents show trading histories, we have only sighted financial statements which indicate that Ross Asset Management Limited, United Asset Management and Bevis Marks Corporation Limited were investment trading entities of any significance within the Ross Group.

We understand that David Ross was an Authorised Financial Advisor and through the Ross Group offered Discretionary Investment Management Services (“DIMS”) as defined by the Financial Advisors Act 2008. The following initial observations are noteworthy in this regard:

- David Ross was the sole director of all entities and appeared to have sole responsibility for all funds management, research and investment decisions, supported by two administrative assistants who advise that they had no significant decision making authority. Mr Ross also appears to have been the sole party who liaised with investors to attract new contributions and to inform them of the decisions he had made regarding their investment portfolios.
- We would ordinarily expect, given the quantum of investors and funds involved, that a more robust governance, management and organisational structure would have existed (e.g. an investment committee to assist with investment decisions) together with more sophisticated information systems.

PwC

- None of the Ross Group entities were audited and we would have expected that the Ross Group would have been audited.

The only NZ based bank accounts of entities within the Ross Group holding funds are summarised in the table below. We and the Advisors have identified other foreign currency bank or cash accounts held overseas and which are noted in our analysis later in this report in respect of the Ross Group’s portfolio holding and valuation. As we also note later in this report we have identified investments held in the names of a number of the Ross Group entities, along with contract notes and broker statements showing a history of trading by these entities.

Ross Group					
Cash on Hand as at 6 November 2012					
All ANZ NZ Based Bank Accounts					
		Currency	Amount	NZD Equivalent	Totals
Ross Asset Management Limited		NZD	10,588.98	10,588.98	
		AUD	106.08	165.50	
		CAD	7,025.95	8,608.69	
		EUR	22,719.92	35,446.94	
		GBP	76.48	149.22	
		USD	88.21	108.28	
Sub-total					55,067.61
Dagger Nominees Limited		NZD	292.30	292.30	
		AUD	31.21	48.69	
Sub-total					340.99
Bevis Marks Corporation Limited		NZD	2,850.13		2,850.13
United Asset Management Limited		NZD	883.25		883.25
Total Ross Group ANZ Accounts					\$ 59,141.98
DRG Ross & JE Ross Premier Call A/c		NZD	26,996.02		\$ 26,996.02

4. *Communication with investors and verification of investors' funds*

We appreciate this is a difficult time for investors and we have communicated regularly with investors since our appointment as follows.

- We have set up a dedicated page for Ross Group investors on the PwC website which can be found at www.pwc.co.nz/rossassetmanagement. A large number of enquires have been submitted via the website to date and are being responded to and the website is being updated regularly. FMA has also provided regular updates on its website.
- We have also set up a dedicated telephone line (04) 462 7040 for investors and are regularly clearing and responding to messages received on this line.
- A number of investors have also written to us and we are responding to their communications as soon as possible.
- The FMA also continues to receive enquiries from investors and these are being responded to by the FMA and also being referred to us.
- Some investors or their agents / advisors have also contacted the individual Receivers or their staff.
- As required by the Court we have reported formally to investors by letter within 48 hours of our appointment and a copy of the letter dated 8 November 2012 is attached as Appendix IV.
- We are communicating through the media with press releases as required and when deemed appropriate.

It is important to note that there are number of requests from investors for repayment of their investment funds which have not been acted upon and which we are unable to action. No payments or distributions can be made to any investor at present. Furthermore no action can be taken on any instructions provided to the Ross Group by investors while the current High Court orders are in place.

Whilst we undertake our investigations, our primary role is to identify and preserve assets consistent with the preservation provisions of the Financial Advisers Act 2008 under which we were appointed by the Court.

In the last week we have been analysing the Group's records to determine the position of investor balances. Whilst we have been appointed as Receivers and Managers in respect of Mr Ross personally, given that he is currently in hospital it is unlikely, at least in the short term, that he will be able to provide any assistance to us in this regard or on any other matter. This is complicating our role as Mr Ross appears to have made many of the investment and other decisions of the Group and we have therefore been unable to obtain any assistance in relation to a number of fundamental issues.

We understand that the majority of investors received a quarterly statement from the Ross Group for the period ended 30 September 2012. However, for some investors, the last report they received from the Ross Group may be for the quarter ended 30 June 2012.

It is important that we verify the investments believed to be held by each investor and their net capital contributions. Whilst we are continuing with our own inquiries, we have requested in our 8 November letter to investors that they complete a confirmation form and return it to us. We have also asked investors to provide us with any additional information of which they are aware that may assist us in identifying the terms of their investments along with the details and location of assets that support their investments (including any that may be held at a share registry in the investor's own name and recorded in their investment portfolios with the Ross Group).

When received, these confirmations will then be cross referenced and reconciled against the Group's own records and if necessary, we will communicate with investors again to reconcile amounts.

5. *Verification of the Ross Group's assets*

A significant amount of work has been undertaken in the last week in conjunction with the FMA and the Advisors to urgently verify the Ross Group's assets in New Zealand and overseas. The records of the Group are not of a standard we would expect to see, given the nature of the business, the number of investors and level of funds allegedly under management. Whilst there is an electronic database that tracks the level of investors' funds received, withdrawn and held and a similar system that records investments transacted and held by the Ross Group, the interface between those two databases is not ideal.

The databases are not always updated and reconciled on a regular basis to reflect transactions. Ordinarily we would expect all such transactions to be processed and reconciled daily but that does not appear to be the case. Whilst some transactions are updated daily it appears that others are not updated for some time, including until the end of a quarter.

Accordingly, we have been required to locate, and in some instances, recreate records. This is not a straight forward process and continues to take time. Furthermore, we have been informed by the two staff members of the Ross Group that much of the business activity relating to overseas investments was undertaken outside of the Group's offices by Mr Ross and no reliable records exist for these transactions at the Group's offices. This is one of the key reasons why we have literally had to "start from scratch" to produce records of the Ross Group's investments.

We do not yet have all contract records to verify the transaction data records on the database. We have examined records from Mr Ross' home and had access to his home and personal computers.

We can confirm that from our inquiries to date, the majority of assets identified so far that are owned by the Group are in the form of shares in New Zealand and overseas entities and cash held in various accounts.
PwC

There are other real and personal assets owned by Mr Ross and his family trusts. However, our focus has been on identifying and quantifying the equity and cash investments of the Ross Group as these are the assets that should support the portfolios reported to investors.

The Advisors have confirmed the approach taken to identify any assets / ledger balances held by entities in the Ross Group. This included identification of accounts with domestic and overseas brokers (including a small number of accounts in the names of investors of the Ross Group) and any assets held in the name of Ross Group entities and investors of the Ross Group direct at share registries. The processes used to identify and record the findings thus far, is considered by the Advisors to be conventional. Details are as follows.

Identification of Broker Accounts

The records used to identify broker accounts were:

- The hand-written list (in alphabetical order) of service providers ("Service Providers List") maintained by the support staff at Ross Group.
- The list of domestic and overseas brokers compiled by the FMA.
- A list provide by Mr Ross to the FMA before he was hospitalised.
- The Security Location Register report held at Ross Group as at 7 November 2012 printed from the system, Access Database, maintained by the Group. The report shows the broker/nominee name depot where securities are purportedly held (including any held directly at the relevant share registry). However, not all of the brokers we identified are listed on the report.
- Hard copy broker statements were obtained from physical records at the Ross Group and from the post mail received (at both the Group's and Mr Ross' home address).

5. Verification of the Ross Group's assets (cont'd)

Broker Accounts Identified	Balances held Y/N
Australia	
Paterson Securities, Perth	Y
Bell Potter	Y
EL & C Baillieu, Melbourne	Y
RBS Morgans	Y
Hartleys, Perth	Y
JBWere	Y
Shaw Stockbroking	Y
Morgan Stanley Smith Barney, Sydney	Y
Citigroup Pty, Sydney	N
BBY Limited	Y
Taylor Collison, Adelaide	N
UBS Securities (Australia)	N
Octa Phillip Securities Limited, Melbourne	Unconfirmed

Identification of Assets (and valuation thereof)

- Where the Service Providers List contained login and password details to enable online access to accounts, valuation statements were accessed and printed on 7 November 2012. They list the securities held by the relevant Ross Group entity and/or Ross Group investor, the cost price and the valuation at the statement date.
- Hard copy broker valuation / ledger statements also show details of assets held at the stated valuation date.

- The summary valuation of each identified account by Ross Group entity has been compiled on a spreadsheet for the purposes of the review.

- Security holdings at the relevant share registry held direct in the name of Ross Group entities and those held direct (at the registry) in the names of Ross Group investors (collectively "Known Registry Holdings") were identified as follows:

- Computershare and Link share registry searches by the Advisors of the entities listed in the High Court Order dated 6 November 2012, from Ross Group registry holding files, and
- from the physical mail opened – the bulk of the mail related to AGM notices, annual company reports, corporate events and some dividend advice notes.

5. *Verification of the Ross Group's assets (cont'd)*

- Known Registry Holdings have been checked (using, as the case may be, Holder Numbers, Common Shareholder Numbers (CSNs), Security Reference Numbers (SRNs), Holder Identification Numbers (HINs)) of the Ross Group entities to the relevant share registry to verify:
 - any current holding
 - the number of shares held
 - the registered owner, and
 - whether (in Australia) the holding is broker sponsored in Chess (i.e. in a broker nominee company) or issuer sponsored (i.e. held in the investor's name on the register).
- The current share price as at the register check time has been recorded by the Advisors so that a valuation can be made.
- The valuation of each Known Registry Holding has been listed (and will be updated) on a spreadsheet for the purposes of the review.
- Our Advisors have noted the review of Known Registry Holdings is not yet complete. At the time of writing, they estimate that this may take another 2-3 days, assuming that the smaller Australian registries provide responses to outstanding information requests.

Security Location Register (and relevance to Ross Group Valuation Reports)

The Security Location Register is the core record from the Ross Group's systems that lists all securities by the relevant stock exchange security code and name, the volume of shares held in each case, as well as the stated location of the securities. "Bevis Marks" is the recorded depository for \$437.6 million worth of stock across 205 different listed securities at 7 November 2012.

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It must be noted that reference to Bevis Marks is as the purported depository broker, not the registered company Bevis Marks Corporation Limited (Company Number 372992).

The Security Location Register is broken down in the Ross Group system to show the total number of a given security held by each Ross Group investor. This is then reflected on the individual investor's Ross Group investment portfolio summary report.

The prices for investment reports sent to Ross Group investors are sourced from Bloomberg – an excel list of the security codes in the Ross Group database is populated with the valuation prices using a data extract from Bloomberg.

Analysis of Ross Group Access Database (to date)

Securities data (excluding cash) was extracted from the Access Database operated by the Ross Group. The data shows the name of each security and the volume stated to be held by each investor along with the purported location and market valuation. This data was agreed (on a sample basis) to the purported holdings by investor in the 30 September 2012 investor portfolio reports.

The database has not been maintained since circa September 2012, so any recent securities transactions have not been recorded and we have not reviewed any reconciliations (if they were performed) pre September 2012. Further work is being performed with Ross Group's IT administrator to build a more complete data set (i.e. cash and securities).

From the database as at the date of receivership it was established that \$449.6 million of securities was purported to be held in investor portfolios with various brokers and registries. Of this, as noted above, \$437.6 million was stated to be held with Bevis Marks which had purported holdings of \$145.9 million in Australian securities, \$135.1 million in Canadian securities, \$156.1 million in US securities and \$0.4 million of UK/Euro/NZ securities.

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5. *Verification of the Ross Group's assets (cont'd)*

If these holdings are correct, Bevis Marks purported holdings in some securities would be amongst the 20 largest holders of those securities (Roc Oil, Catamaran Corp, and Santos Limited). No evidence of these holdings specifically linked to Bevis Marks has been found in publicly available securities registers. If the holdings are valid, they must be held through broker / financial institution nominee companies through relationships with the Ross Group. We have not identified any such holdings at this point.

A review of one investor portfolio indicated that contracts with Bevis Marks were referenced with "DRGR" or "David Ross" to denote the (original) largely hand-written instructions of Mr Ross to his administration staff to reflect transactions in the database that he directed, whereas contract notes from brokers were generally referenced with contract note numbers (as received from the counterparty broker and input to the database by the relevant staff member). On this particular portfolio, realised gains and losses for non-Bevis Marks trades averaged \$11k in losses from 36 trades and \$11k in gains from 44 trades for a net return of \$83k for years 2000-2012. Realised gains and losses for Bevis Marks trades averaged \$17k in losses from 44 trades and \$31k in gains from 90 trades for a net return of \$2.06m from 2001-12. Accordingly for this investor at least, the vast majority of the net returns were purportedly made through Bevis Marks.

Further analysis continues of the Access Database records.

At the time of writing, assets identified by the Advisors total \$10.214 million of which \$1.376 million is stock held direct in Ross Group entity names at share registries. \$2.753 million are assets in Ross Group investor account names at brokers and held direct at the registry, and \$0.409 million relates to accounts and stock in the name of related parties. The balance of \$5.676 million is stock / balances held in Ross Group entity names (including Ace, Vivian and Ross Units Trusts Limited) at identified brokers.

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This reconciliation of investments will continue to be updated on a regular basis by the Advisors as further registry checking is completed and any new relevant information comes to light. However, it is apparent, and we comment in more detail upon this later in this report, that from the work done to date, there is a significant gap between the total reported value attributed to investors' portfolios at 30 September 2012 of \$449.6 million and the assets identified by the Advisors to date.

In the absence of robust systems and processes, including a full set of adequate records, the use of multiple broker account relationships (including some accounts held in Ross Group investor names and controlled by Ross Group) along with the combination of securities held in broker nominee companies and other stock held direct at registries (for both Ross Group entities and some Ross Group investors) is difficult to administer and control. It also makes it reasonably difficult for any independent reviewer to readily reconcile an overall position of what securities are held, where they are held and the transaction history.

The fact that no records exist at the business address of the Ross Group, other than on the Access Database to reflect the apparent directions of Mr Ross to his staff in relation to Bevis Marks depository and other entries on Ross Group investor portfolios for the purported primary security depository, is highly unusual.

The method of data entry of Bevis Marks entries to the Access Database without any independent verification records held by the business in the form of broker transaction statements / portfolio valuations, broker contract notes or registry records provides the opportunity for misrepresentation of records due to the lack of controls.

On 8 November 2012 we received confirmation from Mr Ross via his brother, Mr Greg Ross, that all records relating to Bevis Marks were held on the computer systems at the Ross Group's offices in Wellington. Such records have not revealed, at this stage, any significant third party confirmation of where assets are held.

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6. *Other investigations undertaken*

We have commenced a process to identify whether there are any other “non-share” investments held by the Group and the results of these investigations will be available in due course.

The other major investigation we are undertaking is a reconciliation of the Group’s banking records to determine the flow of funds through the various entities and bank accounts over as long a period of time as is reasonably possible. Our purpose in this regard is twofold: first to quantify the amounts concerned and secondly, to verify the various payers and payees of these funds.

The first part of the process is approaching completion. We have been able to extract from the Ross Group’s database systems the movements that have been recorded since 2000 in terms of funds contributed and withdrawn by investors coupled with management fees paid to the Group. We have also recreated the actual cash flow of the main trading entity for the last 12 months from ANZ bank statements. The next step of verifying the payees and payers of funds will commence shortly.

Our analysis to date shows that since 2008 the net outflow of investors’ funds (withdrawals and management fees less contributions) has been significant, i.e. more than \$60 million during that period. In the last 12 months alone, the identifiable difference between investor withdrawals and contributions from the Ross Asset Management Limited bank statements is approximately \$24 million, although the Group’s database shows a lesser amount. We are presently reconciling this difference.

Withdrawals by investors during these periods appear to have largely been funded by pooled funds which include the contributions made by other investors coupled with the sale of investments. This is of concern given the Group’s inability to meet further withdrawal requests made by investors in the last six months.

To complete this analysis of funds flows through the Group we would ideally wish to undertake a full reconciliation of all broker accounts over the corresponding period(s). A reconciliation of these broker accounts will be a major undertaking because the Group has utilised the services of an unusually large number of brokers throughout New Zealand and overseas. Our Advisors consider this to be unusual for such an investment fund manager.

We are considering a series of other avenues of investigations to identify assets of the Group and its trading history. Whether we eventually undertake such investigations will depend upon our assessment of the likely cost and benefit of such investigations with our primary focus being to provide the best outcomes for investors.

7. Interim and estimated statement of financial position of the Ross Group

Total investors' funds and share investments held in support of those funds

- We prepared and sent a total of 1,720 letters to investors on 8 November 2012. The investor details were sourced from the information held within the Group's records. We note a number of investors operated multiple related party portfolios. The Group's records show total investment amounts of \$449.6 million recorded in these portfolios. We have asked investors to confirm their understanding of the amounts and details of their individual investment portfolios. We have also asked for details of investors' net capital contributions (less withdrawals).
- The analysis of the Group's database to date purportedly show that the market value of the share investments of NZ\$449.6 million is spread across the following financial markets:

Financial Market	\$NZ
Australia	152,393,272
New Zealand	3,763,012
Canada	136,123,067
United States	156,390,350
Other	943,332
Total	449,613,033

- A breakdown of each of these purported holdings showing the financial market the shares relate to and the holder(s) of the shares is as follows.

Australia Holder(s)	Amount \$NZ000
Bevis Marks	145,958
Various share registries	1,729
Scrip held by Investors	1,161
NZ and overseas broker accounts	3,545
T total	152,393
New Zealand Holder(s)	Amount \$NZ000
Bevis Marks	125
Various share registries	1,765
Scrip held by Investors	110
NZ and overseas broker accounts	1,763
T total	3,763
Canada Holder(s)	Amount \$NZ000
Bevis Marks	135,115
Various share registries	309
Scrip held by Investors	39
NZ and overseas broker accounts	660
T total	136,123
United States Holder(s)	Amount \$NZ000
Bevis Marks	156,137
Various share registries	11
Scrip held by Investors	
NZ and overseas broker accounts	243
T total	156,391
Other Countries Holder(s)	Amount \$NZ000
Bevis Marks	283
Various share registries	163
Scrip held by Investors	29
NZ and overseas broker accounts	468
T total	943

7. Interim and estimated statement of financial position of the Ross Group (cont'd)

- These internal summaries show that the majority of shares purportedly owned by the Ross Group on behalf of investors are recorded as held in the name of Bevis Marks. The other holdings spread across the brokers and share registries are held in the names of the various other entities within the Group.
- The total value of shares which the Group's records show as being held by Bevis Marks is \$437.6 million, however, to date we have not been able to verify any material portion of these investments with external sources and there is a lack of supporting evidence in the Group's records in respect of these investments.
- So far we have identified actual holdings in the Ross Group, including those held in related party names and investor names through our verification processes, having a current market valuation of only \$10.214 million as summarised in the table opposite. We attach as Appendix V a more detailed schedule of the investments and various reconciliations prepared by the Advisors.
- It is important to note that we are still continuing with numerous enquiries of overseas share brokers and registries to further ascertain shares held within the Group and the value of those holdings. However it is of considerable concern that whilst the Group's internal records show shareholdings with a value of \$449.6 million we have only been able to verify \$10.214 million as shown opposite. We have also identified cash held in various NZ and overseas bank accounts which we estimate as being no more than \$0.2 million.

- It should also be noted that the market value of a number of the remaining investments we have identified are lower than the original cost prices recorded in various portfolios of the Ross Group. Furthermore, we have evidenced from recent contract notes of the Group, trading losses on a number of shares, many of which appear to be low value and high risk stocks.

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Ross Group Preliminary Portfolio Valuation	
Assets in Broker Accounts:	
United Asset Management Limited	\$271,616.94
Ross Asset Management Limited	\$3,763,275.84
Dagger Nominees Limited	\$1,328,885.20
Bevis Marks Corporation Ltd	\$131,038.17
McIntosh Asset management Limited	\$36,746.49
Mercury Asset Management Limited	\$67,088.83
Ace Investment Trust Limited	\$26,425.68
Ross Unit Trusts Limited	\$58,063.25
Vivian Investments Limited	-\$7,802.80
Total	<u>\$5,675,337.60</u>
Add registry holdings in Group names found by 12/11/12 [ongoing work]	\$1,375,698.62
Sub-total for Ross Group	<u>\$7,051,036.22</u>
Add broker accounts in RAM investor names [as currently known]	\$2,559,222.88
Add registry holdings direct in RAM investor names [as currently known]	\$193,926.05
Sub-total for RAM investors [not otherwise in group]	<u>\$2,753,148.93</u>
Add broker accounts in Related Party names [as currently known]	\$71,138.76
Add registry holdings direct in Related Party names [as currently known]	\$338,818.14
Sub-total for Related Party names [not otherwise in group]	<u>\$409,956.90</u>
Grand Total	<u>\$10,214,142.05</u>

7. Interim and estimated statement of financial position of the Ross Group (cont'd)

Flow of Investors' Funds

As noted in section 5 of this report and based on the Group's own records there have been significant net cash outflows to investors in the last five years to the extent that in our opinion the Group has lacked adequate liquidity to meet further withdrawals by investors. Funds withdrawn by investors over the last 5 years have exceeded funds contributed by more than \$60 million. These movements are shown in the table below.

Year	Contributions	Management Fees	Withdrawals	Net Total
2000	10,339,501	(309,364)	(1,714,967)	8,315,170.44
2001	13,023,333	(773,267)	(4,796,478)	7,453,588.17
2002	11,271,839	(809,243)	(5,439,441)	5,023,155.08
2003	16,620,931	(957,371)	(13,166,824)	2,496,736.09
2004	20,539,331	(1,183,024)	(15,365,482)	3,990,824.41
2005	28,097,232	(1,562,144)	(20,523,046)	6,012,041.75
2006	34,754,148	(2,175,650)	(18,900,192)	13,678,305.90
2007	40,789,762	(2,883,064)	(37,358,812)	547,885.32
2008	15,977,633	(2,865,490)	(26,908,856)	-13,796,712.60
2009	30,528,745	(3,075,091)	(25,633,612)	1,820,043.10
2010	40,036,103	(4,491,238)	(52,192,470)	-16,647,605.01
2011	24,943,444	(4,362,399)	(36,808,150)	-16,227,104.71
2012	16,321,531	(4,335,619)	(30,426,913)	-18,441,001.52
Grand Total	303,243,535	(29,782,964)	(289,235,244)	-15,774,673.59

What this table does not show are any movements pre 2000 (which we understand did occur) or contributions that investors may have made by transferring in share portfolios they may previously have held in their own names. It also does not show any movements in the trading position of the investors' portfolios as a consequence of these portfolios having appreciated in value.

However, given that the current portfolio value is supposedly still in the order of \$449.6 million, there remains an unaccounted contribution and / or growth factor of \$465,374 million (i.e. \$449.6 million plus \$15,774 million). This means that the pre-2000 net contributions would need to be significant and / or the aggregate portfolio investment return would have to have averaged at least 25%p.a. compounding for the 12 year period, which in the circumstances, we believe is unrealistic.

Estimated Financial Position

The share trading activities of each of the eight Ross Group limited liability entities of which we are Receivers and Managers were intermingled and as such they collectively comprised the Investment Fund of the Group. For the purposes of the points made below we have defined the Investment Fund as being the combined holdings in the name of the eight limited liability entities.

7. Interim and estimated statement of financial position of the Ross Group (cont'd)

Based on the information we have seen to date combined with the analysis of that information by the FMA, the Receivers and the Advisors, our view is that the Investment Fund fails the solvency test as defined by Section 4 of the NZ Companies Act 1993 insofar as:

- it is unable to repay the value of the portfolios reported to the investors as they become due in the normal course of business
- the identified value of the Investment Fund's assets to date is significantly less than the reported investor portfolio values.

Our conclusion on the first criteria is based on the information we have obtained showing that the Group has in recent months been unable to meet withdrawal demands from investors as and when required.

Our conclusion on the second criteria is based on the analysis we have undertaken to date indicating a substantial shortfall between the investments able to be identified and verified from external sources, compared to what is shown by the Group within its own internal databases.

At this stage we are unable to make a prediction as to what the likely return to investors might be until such time as we have completed our investigations.

Once we have a better indication of potential quantum and timeframes for recoveries we will advise the Court and communicate with investors.

We are fully aware of the impact of these matters on investors and of the urgency to bring further clarity to the future process to identify, preserve and recover the assets of the Ross Group for the benefit of investors.

8. Legal position, recommendations and next steps

Summary of Current Appointment by the Receivers' legal advisors, Bell Gully

The Receivers were appointed by the Court pursuant to Section 137G(1)(g) of the Financial Advisers Act 2008 (FA Act).

That appointment requires the Court to be satisfied that the orders were "necessary or desirable...for the purpose of protecting the interests of an aggrieved person" (s137F(2)). In substance, the receivers have been appointed to preserve and manage the assets of the various entities; and to investigate their financial position.

The Receivers and the Advisors have undertaken a great deal of work in the past five working days as shown by the analysis in the earlier sections of this report. Whilst there are a number of outstanding queries, as noted previously, the Receivers currently consider that their preservation and investigation role may be concluded shortly.

The Receivers are reluctant to incur significant costs for investors on exhaustive investigations for further assets given the relatively small amount of assets located to date (i.e. relative to potential investor claims).

The Receivers are currently considering whether the best way forward is for them to be constituted as liquidators for the purpose of realising the existing assets and putting forward proposals to investors and/or the Court for the distribution of those assets. The liquidation process would allow the investors to be consulted on both potential distribution models and whether they want additional investigations to be undertaken in relation to further potential assets or potential claims against third parties. Liquidation would also allow pooling of the Group's assets for distribution and, potentially, voidable claims to be examined.

The receivers expect to reach a final view on this, with any necessary applications to the Court, early next week. We will consult with the FMA on the steps that will be proposed.

Which Entities Should be Subject to Receivership or Other Processes

As noted in Section 2 of this report we have identified three other entities we consider should be subject to receivership or whatever other processes the Court may determine. These are:

- Ace Investments Limited or Ace Investment Trust or Ace Investment Trust Limited
- Vivian Investments Limited
- Ross Unit Trusts Limited

At this stage, given that there are still existing enquiries to be completed and the likelihood of new enquiries commenced, we do not believe any of the entities currently in receivership should be removed from receivership.

8. Legal position, recommendations and next steps (cont'd)

Costs of the Receiverships

The Court Orders of 6 November 2012 have asked for an indication of costs of the receiverships. To date no costs have been actually charged against any of the assets of David Ross or the Ross Group, however, costs and disbursements have been accrued in the performance of their duties by the Receivers, the Advisors and the Receivers' legal counsel, Bell Gully.

Presently the Court Orders state that these costs should be met from the assets of David Ross, however, there are insufficient assets currently available to do that. Accordingly we will seek new orders of the High Court allowing us to meet these accrued and ongoing costs from all the assets of the Ross Group of entities.

As requested by the FMA we submitted a budget of estimated professional fees for the period to 13 November 2012 and this is shown in the table opposite. All amounts exclude GST.

We expect actual costs to 13 November 2012 to be reasonably in line with this budget.

Operating Expenses	
Advertising	\$ 1,700.00
Security	\$ 1,000.00
Wages	\$ 1,400.00
Contingency	\$ 270.00
	\$ 4,370.00
Professional Expenses & Disbursements	
Consulting fees - First NZ Capital	\$ 8,425.00
Legal fees - Bell Gully	\$ 29,060.00
Pre-appointment Receivership fees	\$ 14,600.00
Receivers' fees	\$ 56,500.00
Receivers' general expenses & disbursements	\$ 2,825.00
	\$ 102,085.00
Total	<u>\$ 107,355.00</u>

8. Legal position, recommendations and next steps (cont'd)

Summary of Future Considerations for the Court

Any future process should take account of the following related and additional issues:

- That the Investment Fund is insolvent and based on information reviewed so far, there is a very significant shortfall identified to date as owing to investors.
- That returns notified to investors over the last 12+ years would appear to be unrealistic and in all likelihood aggregated or falsified. The actual cash loss that may eventually be suffered by the remaining investors will be different from the current amounts showing as the value of investors' portfolios. Nonetheless the Ross Group is currently unable to return even a small fraction of the reported value to investors, based on our investigations to date.
- It is important that a recovery strategy is addressed with our Advisors and the FMA immediately to maximise investor interests, given that the vast majority of the remaining assets of the Group that we have identified comprise equity investments which are subject to daily price movements and the risks associated with that.
- The process must consider the cost-benefit of undertaking future investigations which may not reveal any further information that would increase the likely recovery to investors or the quantum thereof.
- The process needs to be capable of working seamlessly alongside any ongoing inquiries by the FMA and / or other regulatory authorities.
- In our view a liquidation of the relevant Ross Group entities would best meet the above objectives.

Appendix 1 – Restrictions to this report

The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise.

This report has been prepared for the High Court of New Zealand. We specifically disclaim any responsibility to any other party seeking to rely upon this report.

This report is not to be copied or released to any other party without our prior written consent for each party requesting its release.

We have not independently verified the accuracy of information provided to us, and have not conducted any form of audit in respect of the Ross Group or related entities. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied. Whilst all care and attention has been taken in compiling this report, we do not accept and liability whatsoever arising from this report.

The statements and opinions expressed in this report are based on information available as at the date of the report.

We reserve the right, but will be under no obligation, to review or amend our report, if any additional information, which was in existence on the date of this report was not brought to our attention, or subsequently comes to light.

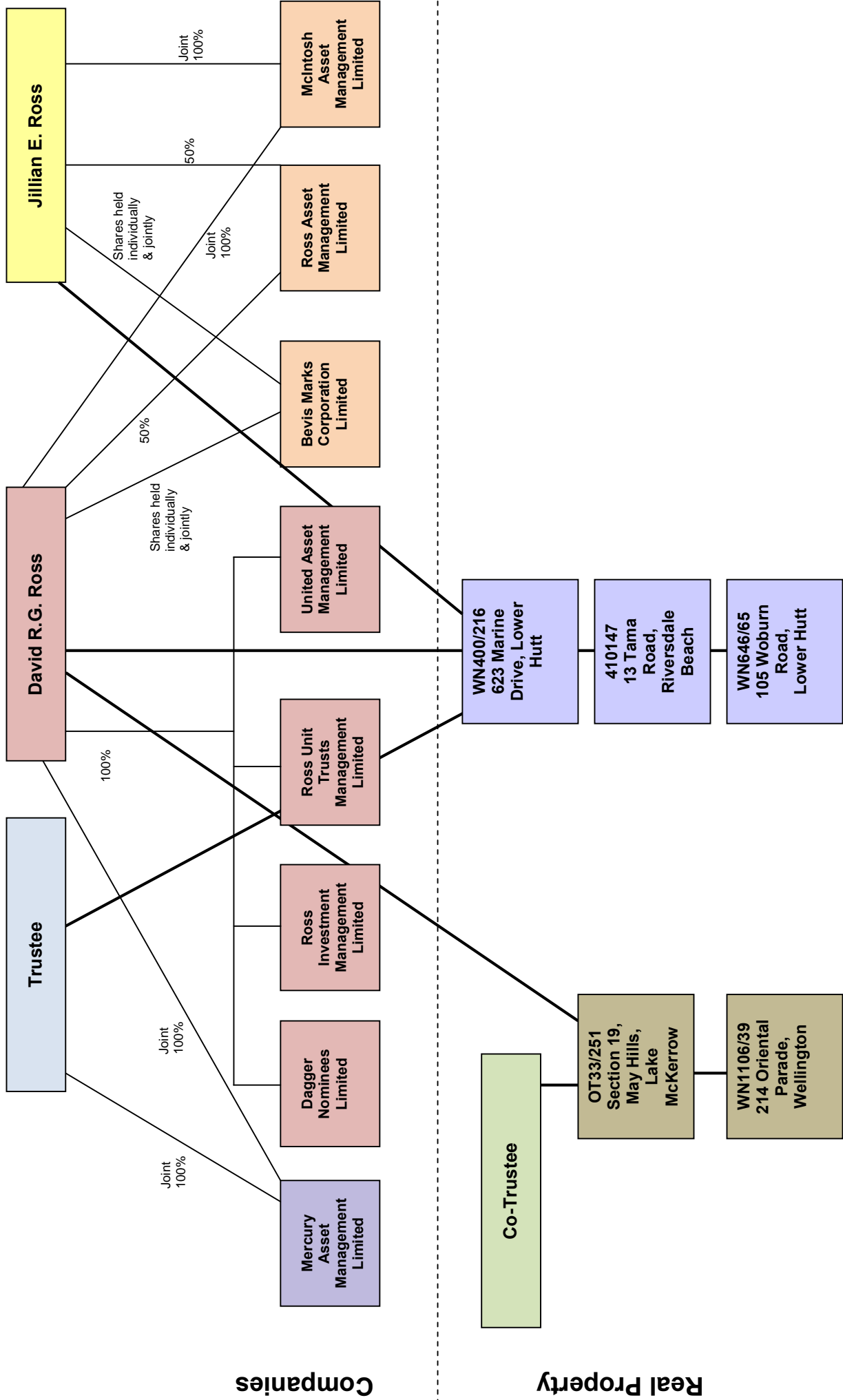
In addition the following should be noted:

- Certain numbers throughout this report have been rounded and therefore do not add exactly and
- Unless otherwise stated all amounts are stated in New Zealand dollars.

PwC

Appendix 2 – Ross Group structure

Ross Group Ownership Structure¹



¹As at 16 November 2012. Updated with further information provided following publication of the Report to the High Court of New Zealand on the Affairs of Ross Asset Management Limited and Related Entities (In Receivership) dated 13 November 2012. Some assets may be held in a trustee capacity.

Appendix 3 – Companies Office search of Vivian Investments Limited

VIVIAN INVESTMENTS LIMITED (836963)*Last updated on 25 Jun 2010**To maintain this company [log on here](#)*

Company Summary

Company number: 836963

Incorporation Date: 09 Dec 1996

Company Status: Struck off

[Hide Previous Status](#)**In Liquidation***from 30 Jan 2006 to 07 Nov 2007***Registered***from 09 Dec 1996 to 30 Jan 2006*

Entity type: NZ Limited Company

Constitution filed: [Yes](#)[Company Addresses:](#) **Registered Office**G. Beecroft & Associates Ltd, Level
Two, 256 Oxford Terrace,
Christchurch , New Zealand**Address for service**G. Beecroft & Associates Ltd, Level
Two, 256 Oxford Terrace,
Christchurch , New Zealand[View all addresses](#)[Directors](#)

Showing 2 of 3 directors

Graham David BEECROFT

11 Luxton Place, Christchurch ,

Rodney Ian BOURKE-SHAW

10 Sherwood Lane, Christchurch,

8022 , New Zealand

[View more director details](#)

Directors (3)

Full legal name: Graham David BEECROFT

Residential Address: 11 Luxton Place, Christchurch ,

Appointment Date: 15 Jul 1999

Consent: [Link to Consent Form](#)

Full legal name: Rodney Ian BOURKE-SHAW

Residential Address: 10 Sherwood Lane, Christchurch, 8022 , New Zealand

Appointment Date: 15 Jul 1999

Consent: [Link to Consent Form](#)

Full legal name: Vicki Michele LARSEN

Residential Address: 25a Kenwyn Avenue, Christchurch, 8052 , New Zealand

Appointment Date: 29 Sep 1999

Consent: [Link to Consent Form](#)

Historic data for directors

[Show History](#)

Addresses

Registered office address: G. Beecroft & Associates Ltd, Level Two, 256
Oxford Terrace, Christchurch , New Zealand

Address for service: G. Beecroft & Associates Ltd, Level Two, 256
Oxford Terrace, Christchurch , New Zealand

There are no Other Addresses

Historic data for addresses

[Show History](#)

Shareholdings (22)

Total Number of Shares: 669

Extensive Shareholding: No

Shareholders in Allocation:

Allocation 1: 100 shares

A E BRITTON

C/- Prebbleton Holiday Park, 18 Blakes
Road, Canterbury ,

Allocation 2: 70 shares

	M E RATHBURN 42 Westmont Street, Christchurch ,
Allocation 3:	50 shares
	Dr J E KIDD 13 Hackthorne Road, Cashmere, Christchurch ,
Allocation 4:	50 shares
	L C PARK Po Box 1937, Christchurch ,
	T S PARK Po Box 1937, Christchurch ,
Allocation 5:	36 shares
	P J FRY 14 Porter Road, Paekakariki 6450 ,
	Sy FRY 14 Porter Place, Paekakariki 6450 ,
Allocation 6:	36 shares
	G L WEBSTER 4a Weka Street, Christchurch ,
	C E WEBSTER 4a Weka Street, Christchurch ,
Allocation 7:	35 shares
	G A LARSEN 79a Western Springs Road, Mt Albert, Auckland ,
Allocation 8:	26 shares
	A HOWLAND 41 Raleigh Street, Christchurch ,

	D HOWLAND 41 Raleigh Street, Christchurch ,
Allocation 9:	25 shares
	A E GILLMAN Kaiapoi, R D 1, North Canterbury ,
Allocation 10:	25 shares
	P IMLAH 1/12 Lagan Street, Belfast, Christchurch ,
Allocation 11:	25 shares
	V M LARSEN 25a Kenwyn Avenue, St Albans, Christchurch ,
Allocation 12:	25 shares
	J N MCNUTT C/- Officer's Mess, 2nd 1st Battalion, Burnham Military Camp, Burnham ,
Allocation 13:	25 shares
	P F M M SMART 94 Chester Street, Christchurch ,
Allocation 14:	25 shares
	O D CARMINE 455a Mairehau Road, Christchurch ,
	K T CARMINE 455a Mairehau Road, Christchurch ,
Allocation 15:	25 shares
	J STEWART 5 Kentallen Terrace, Christchurch ,

	R DE JONG 5 Kentallen Terrace, Christchurch ,
Allocation 16:	15 shares
	G J LARSEN 79a Western Springs Road, Mt Albert, Auckland ,
Allocation 17:	15 shares
	T FOSTER 57 Pasonage Road, Waimate ,
	W FOSTER 57 Pasonage Road, Waimate ,
Allocation 18:	15 shares
	M LINDSAY 5 Pahau Place, Cracroft, Christchurch ,
	D LINDSAY 5 Pahau Place, Cracroft, Christchurch ,
Allocation 19:	15 shares
	K MATCHES 6 Chatswood Place, Christchurch ,
	A MATCHES 6 Chatswood Place, Christchurch ,
Allocation 20:	12 shares
	K R JORDAN 95 Harakeke Street, Christchurch ,
Allocation 21:	10 shares
	E J HEYMEL 7 Ball Lane, Redcliffs, Christchurch ,
Allocation 22:	9 shares

MJ FRY

C/- 36 Boston Road, Kirton Boston,

Lincolnshire Pe20 1ds, England ,

Documents (47)

<u>Date</u>	<u>Document Type</u>	<u>Size</u>
16 Oct 2007 14:22	<u>Liquidator's Final Report</u>	
	<u>Liquidator's Final Report</u>	0kb
16 Oct 2007 14:22	<u>Copy of Notice</u>	
	<u>Copy of Notice</u>	0kb
06 Oct 2006 16:29	<u>Liquidator's 6th Monthly Report</u>	
	<u>Liquidator's 6th Monthly Report</u>	0kb
06 Oct 2006 16:26	<u>Liquidator's 6th Monthly Report</u>	
	<u>Liquidator's 6th Monthly Report</u>	0kb
06 Oct 2006 16:22	<u>Liquidator's 1st Report</u>	
	<u>Liquidator's 1st Report</u>	0kb
06 Oct 2006 12:05	Liquidator Court Exemption 1st Report (Not Available)	
06 Oct 2006 11:58	Appointment Of Liquidator Due To Vacancy (Not Available)	
21 Aug 2006 16:39	<u>Appointment of Liquidator</u>	
	<u>Appointment of Liquidator</u>	0kb
21 Mar 2006 13:36	<u>Online Annual Return</u>	
17 May 2005 15:07	<u>Online Annual Return</u>	
30 Mar 2004 10:51	<u>Online Annual Return</u>	
25 Mar 2003 10:02	<u>Online Annual Return</u>	
26 Mar 2002 14:09	<u>Online Annual Return</u>	
27 Mar 2001 12:52	<u>Online Annual Return</u>	
15 Mar 2001 13:31	<u>Change of Address for Service</u>	
	<u>Change of Address for Service</u>	0kb
15 Mar 2001 13:31	<u>Change of Registered Office</u>	
	<u>Change of Registered Office</u>	0kb
18 Apr 2000 09:10	Annual Return (Not Available)	
07 Feb 2000 11:35	Special Resolution (Not Available)	
31 Jan 2000 16:06	Charge (Not Available)	
31 Jan 2000 16:06	Charge (Not Available)	
28 Jan 2000 10:45	Special Resolution (Not Available)	
14 Oct 1999 11:59	Particulars of Directors (Not Available)	
01 Sep 1999 16:02	Satisfaction (Not Available)	
30 Jul 1999 16:40	Particulars of Directors (Not Available)	
19 Jul 1999 11:42	Particulars of Directors (Not Available)	
16 Apr 1999 13:52	Annual Return (Not Available)	
12 Apr 1999 10:15	Change of Registered Office (Not Available)	

<u>Date</u>	<u>Document Type</u>	<u>Size</u>
12 Apr 1999 10:15	Change of Address for Service (Not Available)	
11 Nov 1998 16:23	Charge (Not Available)	
09 Nov 1998 16:24	Satisfaction (Not Available)	
09 Nov 1998 16:24	Satisfaction (Not Available)	
09 Nov 1998 16:24	Satisfaction (Not Available)	
31 Mar 1998 10:07	Annual Return (Not Available)	
30 Jul 1997 09:04	Change of Registered Office (Not Available)	
10 Jun 1997 08:12	Satisfaction (Not Available)	
10 Jun 1997 08:12	Satisfaction (Not Available)	
29 May 1997 16:08	Satisfaction (Not Available)	
28 May 1997 16:47	Charge (Not Available)	
28 May 1997 16:47	Charge (Not Available)	
28 May 1997 16:43	Charge (Not Available)	
01 May 1997 15:37	Annual Return (Not Available)	
27 Mar 1997 15:04	<u>Adopt, Alter Or Revoke Constitution</u>	
	<u>Adopt, Alter Or Revoke Constitution</u>	0kb
08 Jan 1997 16:36	Charge (Not Available)	
08 Jan 1997 16:36	Charge (Not Available)	
08 Jan 1997 16:36	Charge (Not Available)	
10 Dec 1996 14:56	<u>Adoption of a Constitution</u>	
	<u>Adoption of a Constitution</u>	0kb
09 Dec 1996 14:56	Application To Incorporate A Company (Not Available)	

[Close](#)*Generated on Tuesday, 13 November 2012 15:30:22 NZDT*

Appendix 4 – Copy of our letter of 8 November 2012 to investors



8 November 2012

Ross Asset Management (In Receivership)
Bevis Marks Corporation Limited (In Receivership)
Dagger Nominees Limited (In Receivership)
McIntosh Asset Management Limited (In Receivership)
Mercury Asset Management Limited (In Receivership)
Ross Investment Management Limited (In Receivership)
Ross Unit Trusts Management Limited (In Receivership)
United Asset Management Limited (In Receivership)
Chapman Ross Trust (In Receivership)
Woburn Ross Trust (In Receivership)
Mr David Robert Gilmour Ross (In Receivership)
together “the Ross Group” or “the Group”

1.0 Introduction and appointment of receivers and managers

As you may be aware, John Fisk and David Bridgman of this firm were appointed Receivers and Managers of the Ross Group by the High Court on 6 November 2012 following an application made by the Financial Markets Authority (“FMA”). Our appointment is in accordance with the provisions of the Financial Advisors Act 2008 and in conjunction with the provisions of the Receiverships Act 1993, the Companies Act 1993 and the High Court Rules 2009.

The effect of our appointment is that we have assumed control of the Ross Group and are provided with the various powers to manage the affairs and assets of the Ross Group. The Court also ordered that the Receivers and Managers immediately appoint Richard William Bodman and Kris Renouf of First NZ Capital (together “the Advisors”) to provide assistance and expert advice as may be required to enable the Receivers and Managers to identify, recover, preserve, manage and realise the property of each of the members of the Ross Group. We confirm this has been done.

2.0 Proposed actions of the receivers, managers and advisors

Our initial focus is across the following four areas.

2.1 Communication with investors

We appreciate this is a difficult time for investors and we will endeavour to keep you informed as we exercise our powers.

We have set up a dedicated page for Ross Group investors on the PwC website which can be found at:

www.pwc.co.nz/rossassetmanagement





You can submit an enquiry via the website should you have information you wish to provide to us.

Copies of any press releases will be available on the website as they are released.

Alternatively, you may leave a message on our dedicated telephone line (04) 462 7040, or write to us at the address listed at the bottom of the first page of this letter.

2.2 Verification of investor balances

We are currently analysing the Group's records to determine the position of investor balances. Whilst we have been appointed as Receivers and Managers in respect of Mr Ross personally, we are informed that he is currently in hospital and therefore it is unlikely, at least in the short term, that he will be able to provide any assistance to us.

We understand that the majority of investors received a quarterly statement from the Ross Group for the period ended 30 September 2012. However for some investors the last report they received from the Ross Group may be for the quarter ended 30 June 2012.

It is important that we verify the investments held by each investor. To assist us we request that you indicate, to the best of your knowledge, whether you agree with the Ross Group's record of your investments or not, by completing and signing the attached confirmation form and returning it to us by using the freepost envelope enclosed.

If you believe your investment portfolio differs from that recorded on your last quarterly statement from the Ross Group, please advise what you believe to be the correct position on the attached form and attach any evidence to support your claim.

We also ask that you provide us with any additional information of which you are aware that may assist us in identifying the terms of your investment along with the details and location of assets (including any that maybe held at a share registry in your own name and recorded in your investment portfolio in the Ross Group) that support your investment.

In due course we expect to write to you again with specific requests for details concerning your investment, however, our initial aim is to obtain a general overview of the investors' claims and supporting details.

2.3 Urgently work with the FMA and the Advisors to confirm the Ross Group's assets

We are working with the FMA and the Advisors to urgently verify the Ross Group's assets in New Zealand and overseas. However we are required to locate and in some instances recreate records. This is not a straight forward process and will take some time to undertake. Furthermore, we have been informed that much of the business activity relating to overseas investments was undertaken outside of the Group's offices by Mr Ross and no records exist for these transactions at the Group's offices.

We have already established a level of understanding of investments held in New Zealand and Australia but we expect delays in receiving further information from overseas brokers and company share registrars.

2.4 Reporting requirements to the High Court and future steps

In terms of the orders of the High Court we are required to provide a report within five working days to the High Court outlining our appointment and the actions undertaken to date, along with recommendations as to the likely next steps and future for the Ross Group. Following receipt of the report FMA will advise the Court whether further orders are required to be made. The High Court will then determine the process going forward, based on that report and the combined recommendations of the Receivers and Managers, the Advisors and the FMA. That report is due on Tuesday 13 November 2012 and the outcome of any further directions by the High Court will be communicated to investors as soon as practicable thereafter.



Based on the various inquiries to date, the ultimate recovery to investors is uncertain and it is too early in our investigation to provide any further details in this regard. No payments or distributions will be made to any investor in the interim, unless by order of the High Court, while we undertake our investigations. No action will be taken on any instructions provided to the Ross Group while the inquiry is on-going. Once we have a better indication of potential quantum and timeframes for recoveries we will advise investors. We are fully aware of the impact of these matters on investors and of the urgency to bring further clarity to the future process to identify, preserve and recover the assets of the Ross Group for the benefit of investors.

If you are uncertain of your position we recommend that you seek independent legal and/or financial advice.

If you have any queries, please submit your enquiry through the on-line form via our website, through the dedicated phone line or, by writing to our mailing address for the attention of Randall Gravit. We will endeavour to respond to all enquiries as quickly as possible.

Yours faithfully

A stylized, handwritten signature in black ink, appearing to be 'John Fisk'.

John Fisk
Receiver and Manager

A stylized, handwritten signature in black ink, appearing to be 'David Bridgman'.

David Bridgman
Receiver and Manager



Ross Asset Management Limited (In Receivership) and Related Entities

Post to Ross Asset Management Limited (In Receivership), C/- PricewaterhouseCoopers, PO Box 243, Wellington 6140 or Fax to (04) 462 7492

Investor Confirmation Form

Investor Details:

(If your contact details are incorrect please complete this section)

Name:		
Address:		

In response to the letter to investors dated 8 November 2012 *(Please tick the appropriate box)*

	✓
<p>I advise that to the best of my knowledge and belief the statement I/we received from the Ross Group for the quarter ended 30 September 2012 reflects my understanding of my investment.</p> <p>The net cash amount deposited by me with the Ross Group is <i>(being all sums deposited less withdrawals received)</i></p> <p><i>(If you have ticked and completed this statement please do not proceed any further)</i></p>	
OR	
<p>I advise that I/we did not receive a statement for the quarter ended 30 September 2012. <i>(If you have ticked this statement please respond to one of the two remaining statements)</i></p>	
<p>I advise that to the best of my knowledge and belief the most recent statement I/we received from the Ross Group for the period ended <i>(please insert date of last statement received)</i> reflects my understanding of my investment and a copy of that report is attached <i>(please enclose a copy of your last report)</i>. The net cash amount deposited by me with the Ross Group is <i>(being all sums deposited less withdrawals received)</i></p>	
OR	
<p>I advise that the Group's records based on the most recent statement I/we received from the Ross Group for the period ended..... appear to be incorrect. <i>(Please advise the details of the investments you believe you are entitled to and which are held by the Ross Group and attach evidence in support of your claim)</i></p>	

Investor's Signature: _____

Date: _____

Investor's Name: _____

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Received: _____ Funds reconciles to Group's records Y / N

Appendix 5 – Schedule of investments identified to date and reconciliations undertaken

Ross Group
Preliminary Portfolio Valuation

Assets in Broker Accounts:

United Asset Management Limited	\$271,616.94
Ross Asset Management Limited	\$3,763,275.84
Dagger Nominees Limited	\$1,328,885.20
Bevis Marks Corporation Ltd	\$131,038.17
McIntosh Asset management Limited	\$36,746.49
Mercury Asset Management Limited	\$67,088.83
Ace Investment Trust Limited	\$26,425.68
Ross Unit Trusts Limited	\$58,063.25
Vivian Investments Limited	-\$7,802.80
Total	<u><u>\$5,675,337.60</u></u>

Add registry holdings in Group names found by 12/11/12
[ongoing work]

Sub-total for Ross Group

Add broker accounts in RAM investor names [as currently known]	\$2,559,222.88
Add registry holdings direct in RAM investor names [as currently known]	\$193,926.05
<u>Sub-total for RAM investors [not otherwise in group]</u>	<u><u>\$2,753,148.93</u></u>

Add broker accounts in Related Party names
[as currently known]

Add registry holdings direct in Related Party names [as currently known]	\$338,818.14
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Sub-total for Related Party names [not otherwise in group]

Grand Total

	<u><u>\$10,214,142.05</u></u>
--	--------------------------------------

As at COB 12 / 11/ 2012

Broker Accounts Identified	Balances held Y/N/ not available (n/a)
Australia	
Paterson Securities, Perth	Y
Bell Potter	Y
EL & C Baillieu, Melbourne	Y
RBS Morgans	Y
Hartleys, Perth	Y
JB Were	Y
Shaw Stockbroking	Y
Morgan Stanley Smith Barney, Sydney	Y
Citigroup Pty, Sydney	N
BBY Limited	Y
Taylor Collison, Adelaide	N
UBS Securities (Australia)	N
Octa Philip Securities Limited, Melbourne	n/a
New Zealand	
Craigs Investment Partners	Y
Forsyth Barr	Y
Hamilton Hindin Greene	N
Macquarie Group	Y
First NZ Capital Securities	Y
Edge Capital Markets	Y
MSL Capital Markets Limited	N
United Kingdom	
Credit Suisse, London	Y
North America	
Oppenheimer	Y
Merrill Lynch Wealth Management, Newark, NJ	Y
Wedbush Securities	Y
Credit Suisse, NY	Y
National Financial Services, Cincinnati	Y
Canaccord Wealth Management	Y
RBC Dominion Securities, Toronto	Y
Vanguard Capital, Solan Beach, California	Y
Barksdale and Associates, Newark, NJ	n/a
Banyan Securities Inc, Greenbrae, California	n/a
Fairbairn Capital / Old Mutual	n/a

United Asset Management Limited

\$271,616.94

Broker / Account	Currency	Portfolio Valuation 9/11/12 per bkr statement	e/rate	NZD\$
Patersons	AUD	\$50,384.07	0.7834	\$64,314.62
		\$50,384.07		
Hartleys - stk valuation	AUD	\$156,755.50	0.7834	\$200,096.37
Hartleys - bkr ledger	AUD	\$5,690.52	0.7834	\$7,263.88
		\$162,446.02		
Forsyth Barr	NZD	Portfolio Valuation 31/10/12 per bkr statement	1	-\$57.93
				-\$57.93

Ross Asset Management Limited

\$3,763,275.84

Broker / Account	Currency	Portfolio Valuation 7/11/12 per bkr statement	e/rate	NZD\$	updated val. at 9/11/12
Patersons (Investor account)	AUD	\$101,460.61	0.7834	\$129,513.16	updated val. at 9/11/12
Patersons	AUD	\$22,948.69	0.7834	\$29,293.71	updated val. at 9/11/12
Patersons	AUD	\$85,799.53	0.7834	\$109,521.99	updated val. at 9/11/12
Bell Potter	AUD	\$34,494.99	0.7834	\$44,032.41	
Investor account	AUD	\$42,239.43	0.7834	\$53,918.09	
RBS Morgans	AUD	\$16,447.62	0.7834	\$20,995.17	
RBS Morgans	AUD	\$20,732.73	0.7834	\$26,465.06	
JB Were	AUD	\$57,570.55	0.7834	\$73,488.06	
Hartleys	AUD	\$43,251.94	0.7834	\$55,210.54	
		\$424,946.09			
Oppenheimer	USD	Portfolio Valuation 6/11/12 per bkr statement	0.8161	\$182,489.62	
Merryl Lynch	USD	\$148,929.78	0.8161	\$230,993.57	
		\$188,513.85			
		\$337,443.63			
Credit Suisse, NY	USD	Portfolio Valuation 31/7/12 per bkr statement	0.8161	\$6,146.21	
Credit Suisse:Cash	USD	\$5,015.92	0.8161	\$5,358.80	
		\$5,015.92			
Credit Suisse (UK) Ltd	USD	Portfolio Valuation 31/10/12	0.8161	\$474,675.90	
		\$387,383.00			
		\$387,383.00			
Vanguard Capital	USD	Per 31/8/12 bkr statement	0.8161	\$13,962.74	
		\$11,394.99			
		\$11,394.99			
Morgan Stanley Smith Barney - stk valuation	USD	Portfolio Valuation 14/5/12 per bkr statement	0.8161	\$227,119.23	
Morgan Stanley Smith Barney - ledger	USD	\$185,352.00	0.8161	-\$54,491.55	
		-\$44,470.55			
		\$140,881.45			
National Financial Services , LLC	USD	Portfolio Vlaution 31/10/12 per bkr statement	0.8161	\$39,466.54	
		\$32,208.64			
		\$32,208.64			
Canaccord	CAD	Portfolio Valuation 6/11/12 per bkr statement	0.8151	\$62,581.28	
		\$51,010			
		\$51,010			
RBC Dominion Securities	CAD	Per 29/6/12 statement (c/f)	0.8151	\$4,284.46	
		\$3,492.26			
		\$3,492			

Broker / Account	Currency	Portfolio Valuation 7/11/12 per bkr statement	e/rate	NZD\$
Craigs Inv Ptnrs	NZD	Portfolio Valuation 7/11/12 per bkr statement		
Craigs Inv Ptnrs	NZD	\$848,389.16	1	\$848,389.16
Craigs Inv Ptnrs	NZD	\$571,242.94	1	\$571,242.94
Craigs Inv Ptnrs	NZD	\$88,872	1	\$88,872.00
First NZ Capital	NZD	\$770	1	\$770.07
		\$1,509,274.17		
Forsyth Barr	NZD	Portfolio Valuation 31/10/12 per bkr statement		
Forsyth Barr	NZD	\$363,005.73	1	\$363,005.73
	NZD	\$112,392.02	1	\$112,392.02
		\$475,397.75		
Forsyth Barr	NZD	Per 1/11/12 bkr email list to FMA		
Forsyth Barr	NZD	\$374.26	1	\$374.26
	NZD	\$359.58	1	\$359.58
		\$733.84		
Forsyth Barr	AUD	Per 1/11/12 bkr email list to FMA		
		\$189.11	0.7834	\$241.40
		\$189.11		
Forsyth Barr	USD	Per 1/11/12 bkr email list to FMA		
		\$43.79	0.8161	\$53.66
		\$43.79		
Bank Account		Per 7/11/12 statement		
ANZ Cheque account	NZD	\$6,482.25	1	\$6,482.25
		\$6,482.25		
ANZ Foreign currency account	USD	Per 31/10/12 statement		
		\$88.21	0.8161	\$108.09
		\$88.21		
ANZ, Pitt St	AUD	Per 30/10/12 statement		
		\$12.00	0.7834	\$15.32
		\$12.00		
ANZ - Ross Asset Management Ltd	NZD	Per 31/10/12 statement		
		\$251.46	1	\$251.46
ANZ Foreign currency account	EUR	Per 31/10/12 statement		
		22,719.92	0.6412	\$35,433.44
		22,719.92		
Bank of Queensland deposit	AUD	Per 30/9/12 statement		
Bank of Queensland deposit - short sale a/c	AUD	\$183.37	0.7834	\$234.07
		\$19.91	0.7834	\$25.41

Dagger Nominees Limited

\$1,328,885.20

Broker / Account	Currency	Portfolio Valuation 9/11/12 per bkr statement	e/rate	NZD\$
Patersons	AUD	\$54,749.43	0.7834	\$69,886.94
Patersons	AUD	\$33,300.71	0.7834	\$42,507.93
Bell Potter	AUD	\$42,252.38	0.7834	\$53,934.62
RBS Morgans	AUD	\$25,392.74	0.7834	\$32,413.51
Hartleys	AUD	\$38,820.49	0.7834	\$49,553.85
		\$194,515.75		
BBY Limited {margin FX}	AUD	Portfolio Valuation 31/10/12 per bkr statement	0.7834	\$400.20
		\$313.52		
		\$313.52		
BBY Limited	AUD	Per 5/11/12 bkr valuation statement	0.7834	\$10,128.29
Edge Capital / BBY - Foreign Exchange	AUD	\$7,934.50	0.7834	\$46.62
BBY Limited - Margin FX	AUD	\$36.52 Oct 12 late	0.7834	\$400.20
		\$313.52 Oct 12 late		
		\$8,284.54		
SmarTrader Limited FX	AUD	Per 6/11/12 bkr statement	0.7834	\$238.63
SmarTrader Limited FX	AUD	\$186.94	0.7834	\$239.60
		\$187.70		
Craigs Inv Ptnrs	NZD	Portfolio Valuation 7/11/12 per bkr statement	1	\$943,663.34
Craigs Inv Ptnrs	NZD	\$943,663.34	1	\$53,834.00
		\$53,834.00		
		\$997,497.34		
Forsyth Barr	USD	Per 1/11/12 bkr email list to FMA	0.8161	\$364.17
		\$297.20		
		\$297.20		
BBY Limited {margin FX}	NZD	Portfolio Valuation 31/10/12 per bkr statement	1	\$36.52
		\$36.52		
		\$36.52		
Morgan Stanley Smith Barney	USD	Portfolio Valuation 31/7/12 per bkr statement	0.8161	\$70,752.75
		\$57,741.32		
		\$57,741.32		
Bank Account	NZD	Per 31/10/12 statement	1	\$382.77
ANZ Cheque Account	AUD	\$382.77	0.7834	\$39.84
ANZ Foreign currency		\$31.21		
Bank of Queensland deposit	AUD	Per 30/9/12 statement	0.7834	\$61.42
		\$48.12		

Bevis Marks Corporation Pty Ltd

Broker / Account
Hartleys

Currency
AUD

Portfolio Valuation 19/10/12 per bkr statement
\$47,185.87
\$47,185.87

\$131,038.17

e/rate **NZD\$**
0.7834 \$60,232.15

Bank Account
Bank of Queensland deposit

AUD

Per 30/9/12 statement

\$432.31
\$432.31

0.7834 \$551.84

Bevis Marks Corporation Ltd

RBS Morgans Limited

AUD

Per bkr valuation report 14/9/12

\$55,037.12
\$55,037.12

0.7834 \$70,254.17

McIntosh Asset Management Limited

\$36,746.49

Broker / Account	Currency	Portfolio Valuation 18/10/12 per bkr statement	e/rate	NZD\$
Hartleys - stk valuation	AUD	\$28,371.90	0.7834	\$36,216.36
Hartleys - bkr ledger	AUD	\$415.30	0.7834	\$530.13
		\$28,787.20		

Mercury Asset Management Limited

\$67,088.83

Broker / Account	Currency	valuation 23/10/12 per bkr statement	e/rate	NZD\$
Hartleys - stk valuation	AUD	\$82,759.39	0.7834	\$105,641.29
Hartleys - bkr ledger	AUD	-\$30,202.00	0.7834	-\$38,552.46
		\$52,557.39		

Ace Investment Trust Limited

\$26,425.68

Broker / Account	Currency	Portfolio Valuation 23/10/12 per bkr statement	e/rate	NZD\$
Hartleys - stk valuation	AUD	\$30,392.03	0.7834	\$38,795.03
Hartleys - bkr ledger	AUD	-\$9,690.15 unpaid buy 9 Oct	0.7834	-\$12,369.35
		\$20,701.88		

Ross Unit Trusts Limited

Broker / Account
Hartleys - stk valuation
Hartleys - bkr ledger

Currency
AUD
AUD

Ratio Valuation 27/9/12 per bkr statement
\$51,375.00
-\$5,888.25 debit b/f 18 Oct statement
\$45,486.75

\$58,063.25

e/rate **NZD\$**

0.7834 \$65,579.53
0.7834 **-\$7,516.28**

Vivian Investments Limited

Broker / Account
Hartleys - bkr ledger

Currency
AUD

18/10/12 per bkr statement
-\$6,112.71
-\$6,112.71

-\$7,802.80

e/rate NZD\$

0.7834 -\$7,802.80

FX Rates Used for Currency Conversion to NZD

	12/11/12
AUD	0.7834
CAD	0.8151
EUR	0.6412
GBP	0.5129
HKD	6.3258
USD	0.8161
CHF	0.7722
JPY	64.858
NOK	4.6765
SGD	0.9986
ZAR	7.1086
THB	25.0481
SEK	5.4615
NZD	1

Broker Accounts Held in Investor Names

Broker	Currency	Cash balance per 7/11/12 bkr statement [no positions]	e/rate	
BBY Limited	AUD	\$0.10	0.7834	\$0.13
BBY Limited	AUD	\$96.77	0.7834	\$123.53
BBY Limited	AUD	\$321.25	0.7834	\$410.07
BBY Limited	AUD	\$3,656.12	0.7834	\$4,666.99
BBY Limited	AUD	\$270.03	0.7834	\$344.69
BBY Limited	AUD	\$0.00	0.7834	\$0.00
BBY Limited	AUD	\$0.00	0.7834	\$0.00
BBY Limited	AUD	\$293.61	0.7834	\$374.79
BBY Limited	AUD	\$408.77	0.7834	\$521.79
BBY Limited	AUD	\$288.83	0.7834	\$368.69
BBY Limited	AUD	\$0.00	0.7834	\$0.00
BBY Limited	AUD	\$622.12	0.7834	\$794.13
BBY Limited	AUD	\$992.93	0.7834	\$1,267.46
		\$6,950.53		
Cannacord	CAD	Portfolio Valuation 7/11/12 per bkr statement \$15,365 \$15,365	0.8151	\$18,850.45
Fairbairn Private Bank	GBP	Portfolio Valuation 7/11/12 per bkr statement 99,440.34 99,440.34	0.5129	\$193,878.61
Craigs Investment Partners	NZD	Portfolio Valuation 6/11/12 per bkr statement \$61,499	1	\$61,499.00
Craigs Investment Partners	NZD	\$221,221	1	\$221,221.00
Craigs Investment Partners	NZD	\$97,833 \$380,553	1	\$97,833.00
Craigs Investment Partners	NZD	Portfolio Valuation per 29/10/12 bkr statement \$150,946	1	\$150,946.49
Craigs Investment Partners	NZD	\$947,940	1	\$947,940.18
Craigs Investment Partners	NZD	\$857,353 \$1,956,239	1	\$857,352.59
				\$2,558,393.58

Broker Accounts in Related Party Names			e/rate	NZD\$
Broker / Account	Currency	Portfolio Valuation 14/9/12 per bkr statement		
RBS Morgans - val	AUD	\$30,998.00	0.7834	\$39,568.55
RBS Morgans - ledger	AUD	\$2,134.33	0.7834	\$2,724.44
		\$33,132.33		
		Per broker statement 18/10/12		
Hartleys - val	AUD	\$20,454.17	0.7834	\$26,109.48
Hartleys - ledger	AUD	\$1,790	0.7834	\$2,284.91
(both above held in name of David Robert Gilmour Ross)		\$22,244.17		
		Per bkr statement 8/11/12		
MSL Capital Markets Ltd	NZD	\$406.23	1	\$406.23
		\$406.23		\$71,093.62

SPONSOR		CODE	STOCK NAME	EXCHANGE	DATE OF HOLDING	QUANTITY	PRICE	VALUE	REGISTRY	REGISTERED HOLDER	
HOLDER #	PGW	PGW	PGW	NZX	08/11/2012	13,448.00	0.33	4,437.84	COMPUTERSHARE - RML	Investor	
HOLDER #	PGW	PGW		NZX	08/11/2012	13,448.00	0.33	4,437.84	COMPUTERSHARE - RML	Investor	
HOLDER #	GLL	GLL		NZX	08/11/2012	520.00	0.58	301.60	COMPUTERSHARE - RML	Investor	
HOLDER #	TLS	TLS		NZX	08/11/2012	3675	5.28	19,404.00	LINK	Investor	
NZD											
HOLDER #	INTU	INTU	INTU	NZX	08/11/2012	94000	0	-	LINK - Aussie reg?	DAGGER NOMINEES LIMITED	
NZD											
CSN	PPP	PPP		NZX	08/11/2012	130000	0.14	18,200.00	LINK - Aussie reg?	Related Party	
HOLDER #	CCC	CCC		NZX	08/11/2012	2500	2.52	12,600.00	LINK	Related Party	
HOLDER #	TTK	TTK	MOW	NZX	08/11/2012	5000	0.43	2,660.41	LINK	Related Party	
HOLDER #	MOW	MOW		NZX	08/11/2012	6187	0.011	409.86	LINK	Related Party	
HOLDER #	WID	WID		NZX	08/11/2012	37260	5.21	8,929.94	LINK	Related Party	
HOLDER #	CEN	CEN		NZX	08/11/2012	2141	5.21	11,154.61	LINK	Related Party	
CSN	CEN	CEN	CCC	NZX	08/11/2012	2500	2.52	10,080.00	LINK	Related Party	
HOLDER #	CCC	CCC		NZX	08/11/2012	4000	0	-	LINK	Related Party	
HOLDER #	TTK	TTK		NZX	08/11/2012	5000	0.23	2,300.00	LINK	Related Party	
HOLDER #	MVE	MVE		NZX	08/11/2012	10000	0.25	125.00	COMPUTERSHARE - RML	Related Party	
HOLDER #	PPG	PPG	RBC	NZX	08/11/2012	500.00	7.26	3,963.96	COMPUTERSHARE - RML	Related Party	
CSN	RBC	RBC		NZX	08/11/2012	546.00	5.08	5,080.00	COMPUTERSHARE - RML	Related Party	
CSN	FBU	FBU		NZX	08/11/2012	1,000.00	0.33	471.90	COMPUTERSHARE - RML	Related Party	
CSN	SKT	SKT		NZX	08/11/2012	1,430.00	3.9	11,423.10	COMPUTERSHARE - RML	Related Party	
CSN	PGW	PGW	SKC	NZX	08/11/2012	2,929.00	0.58	1,755.08	COMPUTERSHARE - RML	Related Party	
CSN	SKC	SKC		NZX	08/11/2012	3,026.00	1.92	1,284.48	COMPUTERSHARE - RML	Related Party	
CSN	GLL	GLL		NZX	08/11/2012	669.00	5.08	5,080.00	COMPUTERSHARE - RML	Related Party	
HOLDER #	TWR	TWR		NZX	08/11/2012	1,000.00	3.9	11,423.10	COMPUTERSHARE - RML	Related Party	
HOLDER #	SKT	SKT	SKC	NZX	08/11/2012	2,929.00	0.58	1,059.66	COMPUTERSHARE - RML	Related Party	
HOLDER #	SKC	SKC		NZX	08/11/2012	1,827.00	3.23	746.13	COMPUTERSHARE - RML	Related Party	
HOLDER #	GLL	GLL		NZX	08/11/2012	231.00	2.395	2,768.62	COMPUTERSHARE - RML	Related Party	
CSN	CNU	CNU		NZX	08/11/2012	1,166.00	2.75	3,214.75	COMPUTERSHARE - RML	Related Party	
CSN	TEL	TEL	VCT	NZX	08/11/2012	1,169.00	2.68	11,175.60	COMPUTERSHARE - RML	Related Party	
CSN	VCT	VCT		NZX	08/11/2012	4,170.00	5.08	25,400.00	COMPUTERSHARE - RML	Related Party	
CSN	RBD	RBD		NZX	08/11/2012	5,000.00	3.9	45,700.20	COMPUTERSHARE - RML	Related Party	
CSN	SKT	SKT		NZX	08/11/2012	11,718.00	8.25	102,151.50	COMPUTERSHARE - RML	Related Party	
CSN	SKC	SKC	EBO	NZX	08/11/2012	12,382.00	0.17	13,461.45	COMPUTERSHARE - RML	Related Party	
CSN	EBO	EBO		NZX	08/11/2012	79,185.00	3.23	516.80	COMPUTERSHARE - RML	Related Party	
CSN	SPY	SPY		NZX	08/11/2012	160.00	2.395	1,916.00	COMPUTERSHARE - RML	Related Party	
CSN	CNU	CNU		NZX	08/11/2012	800.00	2.68	7,447.72	COMPUTERSHARE - RML	Related Party	
CSN	TEL	TEL	RBD	NZX	08/11/2012	2,779.00	0.018	648.00	COMPUTERSHARE - RML	Related Party	
CSN	RBD	RBD		NZX	08/11/2012	36,000.00	2.52	12,600.00	LINK	Related Party	
CSN	GEN	GEN		NZX	08/11/2012	2500	0.43	2,660.41	LINK	Related Party	
HOLDER #	CCC	CCC		NZX	08/11/2012	5000	0.011	409.86	LINK	Related Party	
HOLDER #	TTK	TTK	MOW	NZX	08/11/2012	6187	0.011	409.86	LINK	Related Party	
HOLDER #	MOW	MOW		NZX	08/11/2012	37260	0.011	409.86	LINK	Related Party	
HOLDER #	WID	WID		NZX	08/11/2012	37260	0.011	409.86	LINK	Related Party	
NZD											
338,818.14											
CSN	CYTHA	CYTHA	SKT	NZX	07/11/2012	376.00	0.3	112.80	LINK	Broker Nominee Company	
CSN	SKT	SKT		NZX	07/11/2012	1,500.00	5.08	7,620.00	COMPUTERSHARE - RML	Broker Nominee Company	
CSN	MZY	MZY		NZX	07/11/2012	2,398.00	4.735	11,354.53	LINK	Broker Nominee Company	
CSN	LPC	LPC		NZX	07/11/2012	3,000.00	2.05	6,150.00	LINK	Broker Nominee Company	
CSN	ALF	ALF	GEL	NZX	07/11/2012	6,821.00	0.024	163.70	LINK	Broker Nominee Company	
CSN	GEL	GEL		NZX	07/11/2012	33,288.00	0.35	11,650.80	COMPUTERSHARE - RML	Broker Nominee Company	
CSN	DIL	DIL		NZX	07/11/2012	266,733.00	3.77	1,005,583.41	LINK	Broker Nominee Company	
CSN	VML	VML		NZX	07/11/2012	350,000.00	0.02	7,000.00	COMPUTERSHARE - RML	Broker Nominee Company	

Shares held on ASX
SPONSOR

ISSUER	CODE	STOCK NAME	EXCHANGE	DATE OF HOLDING	QUANTITY	PRICE	VALUE	REGISTRY TRANSFERS	REGISTERED HOLDER
ISSUER	ABU	ABM RESOURCES NL	ASX	11/11/2012	500000	0.049	24,500.00	REGISTRAR	DAGGER NOMINEES LIMITED
ISSUER	AFR	AFRICAN ENERGY RESOURCES LIMITED	ASX	07/11/2012	17,452.00	0.15	2,617.80	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	AIW	CORPORATION LTD	ASX	11/11/2012	0	0.041	-	COMPUTERSHARE	ACE INVESTMENT TRUST LTD
ISSUER	AGK	AGL ENERGY LIMITED	ASX	11/11/2012	0	5.96	-	COMPUTERSHARE	ACE INVESTMENT TRUST LTD
ISSUER	AIW	AUSTRALIAN-AMERICAN MINING	ASX	11/11/2012	0	13.72	-	LINK	DAGGER NOMINEES LIMITED
ISSUER	AIW	CORPORATION LTD	ASX	11/11/2012	18750	0.041	768.75	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	AMC	AMCOR LIMITED	ASX	11/11/2012	312	7.9	2,464.80	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	AMU	AMADEUS ENERGY LIMITED	ASX	11/11/2012	24230	0.215	5,209.45	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	APA	APA GROUP	ASX	11/11/2012	214	5.24	1,121.36	LINK	DAGGER NOMINEES LIMITED
ISSUER	ARI	ARRIUM LIMITED	ASX	07/11/2012	388.00	0.745	289.06	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	BLD	BORAL LIMITED	ASX	11/11/2012	2040	3.77	7,690.80	LINK	DAGGER NOMINEES LIMITED
ISSUER	BMB	BALAMARA RESOURCES LIMITED	ASX	11/11/2012	0	0.12	-	LINK	DAGGER NOMINEES LIMITED
ISSUER	BMB	BALAMARA RESOURCES LIMITED	ASX	11/11/2012	0	0.12	-	LINK	DAGGER NOMINEES LIMITED
ISSUER	BOC	BOUGAINVILLE COPPER LIMITED	ASX	11/11/2012	402	0.68	273.36	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	BSL	BLUESCOPE STEEL LIMITED	ASX	11/11/2012	2864	0.48	1,422.72	LINK	DAGGER NOMINEES LIMITED
ISSUER	CSR	CSR LIMITED	ASX	12/11/2012	1382	1.68	2,321.76	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	CZA	COAL OF AFRICA	ASX	12/11/2012	1953	0.2	390.60	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	DEG	DE GREY MINING LIMITED	ASX	12/11/2012	480645	0.018	8,651.61	REGISTRAR	DAGGER NOMINEES LIMITED
ISSUER	DLX	DULUX GROUP LIMITED	ASX	12/11/2012	301	3.42	1,029.42	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	EFT	EFTEL LIMITED	ASX	09/11/2012	1,278.00	0.275	351.45	LINK	DAGGER NOMINEES LIMITED
ISSUER	EGO	EMPIRE OIL AND GAS	ASX	09/11/2012	-	0.013	-	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	ENE	ENERGY DEVELOPMENTS LIMITED	ASX	09/11/2012	6,888.00	2.99	20,625.02	LINK	DAGGER NOMINEES LIMITED
ISSUER	ENC	ENERGY WORLD CORPORATION LIMITED	ASX	09/11/2012	5,000.00	0.37	1,850.00	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	EWI	FAR LIMITED	ASX	09/11/2012	-	0.034	-	ADVANCED SHARE REGISTRY	DAGGER NOMINEES LIMITED
ISSUER	FRE	FRESHTEL HOLDINGS LIMITED	ASX	07/11/2012	193,000.00	0.002	386.00	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	FJX	FAIRFAX MEDIA LIMITED	ASX	09/11/2012	1,701.00	0.385	654.89	LINK	DAGGER NOMINEES LIMITED
ISSUER	GED	GOLDEN DEEPS LIMITED	ASX	12/11/2012	75000	0.085	6,375.00	ADVANCED SHARE REGISTRY	DAGGER NOMINEES LIMITED
ISSUER	GGP	GOLDEN GATE PETROLEUM LIMITED	ASX	09/11/2012	490,729.00	0.006	2,944.37	ADVANCED SHARE REGISTRY	DAGGER NOMINEES LIMITED
ISSUER	HGG	HENDERSON GROUP PLC	ASX	09/11/2012	936.00	1.755	1,642.68	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	HIM	HAMPTON HILL MINING LIMITED	ASX	12/11/2012	240000	0.088	21,120.00	REGISTRAR	DAGGER NOMINEES LIMITED
ISSUER	IAG	INSURANCE AUSTRALIA GROUP	ASX	09/11/2012	779.00	4.69	3,653.51	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	IGS	INTERNATIONAL GOLDFIELDS LIMITED	ASX	12/11/2012	200000	0.027	5,400.00	ADVANCED SHARE REGISTRY	DAGGER NOMINEES LIMITED
ISSUER	ISS	ISS GROUP LIMITED	ASX	09/11/2012	-	0.195	-	ADVANCED SHARE REGISTRY	DAGGER NOMINEES LIMITED
ISSUER	KRE	KIMBERLEY RARE EARTHS LIMITED	ASX	09/11/2012	9,528.00	0.067	638.38	ADVANCED SHARE REGISTRY	DAGGER NOMINEES LIMITED
ISSUER	LME	L&M ENERGY LIMITED	ASX	09/11/2012	1,140,018.00	0.057	64,981.03	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	MCO	MORNING STAR GOLD N.L.	ASX	11/11/2012	793139	0.098	77,727.62	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	MGX	MOUNT GIBSON IRON LIMITED	ASX	11/11/2012	5138	0.73	3,750.74	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	MOG	MACQUARIE GROUP LIMITED	ASX	11/11/2012	0	31.16	-	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	NAV	NAVIGATOR RESOURCES LIMITED	ASX	09/11/2012	190,562.00	0.002	381.12	ADVANCED SHARE REGISTRY	DAGGER NOMINEES LIMITED
ISSUER	NAV	CLASS	ASX	09/11/2012	1,372,050.00	0.002	2,744.10	ADVANCED SHARE REGISTRY	DAGGER NOMINEES LIMITED
ISSUER	NUF	NUFARM LIMITED	ASX	11/11/2012	3381	5.58	18,865.98	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	NWS	NEWS CORPORATION - CLASS B VOTING	ASX	11/11/2012	1100	23.93	26,323.00	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	NWS	CDI	ASX	11/11/2012	840	23.63	19,849.20	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	NWS	NEWS CORPORATION - NON VOTING CDI	ASX	11/11/2012	840	23.63	19,849.20	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	OYM	OLYMPUS PACIFIC	ASX	11/11/2012	0	0.2	-	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	PDN	PALADIN RESOURCES LIMITED	ASX	12/11/2012	17964	0.985	17,694.54	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	PGC	PARAGON CARE LIMITED	ASX	09/11/2012	31,126.00	0.195	6,069.57	ADVANCED SHARE REGISTRY	DAGGER NOMINEES LIMITED
ISSUER	PIE	PIE NETWORKS LIMITED	ASX	12/11/2012	0	0.04	-	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	PPX	PAPERLINX	ASX	12/11/2012	64.53	0.054	3.49	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	PRR	PRIMA BIOMED LTD	ASX	12/11/2012	70072	0.13	9,109.36	BOARDROOM LIMITED	DAGGER NOMINEES LIMITED
ISSUER	QBE	QBE INSURANCE LIMITED	ASX	12/11/2012	0	12.87	-	LINK	DAGGER NOMINEES LIMITED
ISSUER	RCC	ROC OIL COMPANY LIMITED	ASX	12/11/2012	0	0.455	-	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	SOP	STOCKLAND CORPORATION LIMITED	ASX	12/11/2012	636	3.43	2,181.48	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	STO	SANTOS	ASX	12/11/2012	4200	11.27	47,334.00	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	SUN	SUNCORP-METWAY LIMITED	ASX	12/11/2012	375	9.31	3,491.25	LINK	DAGGER NOMINEES LIMITED
ISSUER	TLS	TELSIRA CORPORATION LIMITED	ASX	12/11/2012	0	4.11	-	LINK	DAGGER NOMINEES LIMITED
ISSUER	TRG	TREASURY GROUP LIMITED	ASX	12/11/2012	1000	4.36	4,360.00	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	VES	VESTURE LIMITED	ASX	12/11/2012	800	0.11	88.00	BOARDROOM LIMITED	DAGGER NOMINEES LIMITED
ISSUER	VLA	VERALYTICS LIMITED	ASX	12/11/2012	16900	0.42	6,930.00	LINK	DAGGER NOMINEES LIMITED
ISSUER	VVP	VERVA PHARMACEUTICALS LIMITED	ASX	12/11/2012	1320	-	-	LINK	DAGGER NOMINEES LIMITED

SOLD 1824 ON 29/03/2012
SOLD HOLDING 3,267 09/07/2012

SOLD HOLDINGS 110,000 ON
27/08/2012 AND 90,000 ON
29/08/2012
SOLD HOLDING 650,000 ON
31/08/2012

SOLD HOLDING 250 30/07/2012

SOLD HOLDING 744,119 ON
18/10/2012

SOLD HOLDING 667,138 04/10/2012

SOLD HOLDING 1781 24/08/2012
SOLD HOLDING 76,126 23/08/2012

SPONSOR	CODE	STOCK NAME	EXCHANGE	DATE OF HOLDING	QUANTITY	PRICE	VALUE	REGISTRY	REGISTERED HOLDER
ISSUER	WDC	WESTFIELD HOLDINGS LIMITED	ASX	12/11/2012	388	10.45	4,054.60	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	WOW	WOOLWORTHS LIMITED	ASX	12/11/2012	105	28.79	3,022.95	SECURITY TRANSFERS	DAGGER NOMINEES LIMITED
ISSUER	WRM	WHITE ROCK MINERALS LIMITED	ASX	12/11/2012	250000	0.074	18,500.00	REGISTRAR	DAGGER NOMINEES LIMITED
ISSUER	WRT	WESTFIELD RETAIL TRUST	ASX	12/11/2012	479	3.1	1,484.90	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	MHC	FOCUS MINERAL LTD	ASX	11/11/2012	4000	0.035	1,400.00	COMPUTERSHARE	DAGGER NOMINEES LIMITED
ISSUER	MHC	MANHATTAN CORPORATION LIMITED	ASX	11/11/2012	4000	0.14	560.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	AHZ	ALLIED HEALTHCARE GROUP	ASX	11/11/2012	228960	0.024	5,495.04	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	AKW	ARTURUS CAPITAL	ASX	11/11/2012	1830	0.018	32.94	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	ALD	ALLIED GOLD LIMITED	ASX	11/11/2012	0	0	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	ALP	ANALYTICA LIMITED	ASX	11/11/2012	70976	0.019	1,348.54	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	ANT	ANTISENSE THERAPEUTICS LIMITED	ASX	11/11/2012	125000	0.02	2,500.00	BOARDROOM LIMITED	ROSS ASSET MANAGEMENT LIMITED
ISSUER	AQO	AFRICAN PETROLEUM CORP LIMITED	ASX	11/11/2012	589	0.645	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	AQP	AQUARIUS PLATINUM LIMITED	ASX	11/11/2012	0	0	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	ARE	ARGONAUT RESOURCES NL	ASX	11/11/2012	872	0.069	60.17	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	AZ	AMEX RESOURCES LIMITED	ASX	11/11/2012	2985	0.92	2,746.20	REGISTRAR	ROSS ASSET MANAGEMENT LIMITED
ISSUER	BKP	BARAKA PETROLEUM LIMITED	ASX	11/11/2012	200000	0.011	2,200.00	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
ISSUER	BNE	BONE MEDICAL LIMITED	ASX	11/11/2012	5083	0.02	10.17	SECURITY TRANSFERS	ROSS ASSET MANAGEMENT LIMITED
ISSUER	CAP	CARPENTARIA EXPLORATION LIMITED	ASX	12/11/2012	10293	0.25	2,573.25	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	CBA	COMMONWEALTH BANK OF AUSTRALIA	ASX	12/11/2012	528	58.82	31,056.96	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	CCC	CONTINENTAL COAL LIMITED	ASX	12/11/2012	137606	0.05	6,880.30	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	CCH	CHALICE GOLD MINES LIMITED	ASX	12/11/2012	0	0.335	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	CZN	CALZADA LIMITED	ASX	11/11/2012	50843	0.048	2,440.46	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	EFT	EFTEL LIMITED	ASX	09/11/2012	80100	0.275	220.28	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	EFT	EMPIRE OIL AND GAS	ASX	09/11/2012	1,875.00	0.275	515.63	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	EGO	ELDERLS LIMITED	ASX	09/11/2012	13,388.00	0.165	2,210.67	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	ELD	ENTEK ENERGY LIMITED	ASX	09/11/2012	0.165	0.052	572.21	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	ETE	FAR LIMITED	ASX	09/11/2012	11,004.00	0.034	-	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
ISSUER	FAR	FOX RESOURCES LIMITED	ASX	09/11/2012	-	0.034	-	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
ISSUER	FAR	GME RESOURCES LIMITED	ASX	09/11/2012	114,941.00	0.049	5,632.11	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	GME	GUNSON RESOURCES LIMITED	ASX	09/11/2012	223,713.00	0.029	6,487.68	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	GUN	HAWTHORN RESOURCES LIMITED	ASX	09/11/2012	-	0.095	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	HAW	HENDERSON GROUP PLC	ASX	09/11/2012	2,086,133.00	0.007	14,602.93	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	HGI	HILLCREST LITIGATION SERVICES LIMITED	ASX	09/11/2012	-	1.745	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	HLS	HILL LIMITED	ASX	12/11/2012	25486	0.01	254.86	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	HNG	INET LIMITED	ASX	09/11/2012	2,284.00	0.5	1,142.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	IIN	INION LIMITED	ASX	09/11/2012	-	4.16	-	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	IVX	LIVING CELL TECHNOLOGIES	ASX	12/11/2012	29000	0.052	1,508.00	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	LCT	LIVING CELL TECHNOLOGIES	ASX	09/11/2012	-	0.052	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	LCT	LION ENERGY LIMITED	ASX	09/11/2012	140,000.00	0.052	7,280.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	LIO	LAKES OIL N.L.	ASX	09/11/2012	6,000.00	0.025	150.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	LKO	LIONTOWN RESOURCES LIMITED	ASX	09/11/2012	100,000.00	0.003	300.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	LTR	MEDTECH GLOBAL LIMITED	ASX	09/11/2012	-	0.038	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	MDG	MARENICA ENERGY LIMITED	ASX	11/11/2012	35000	0.035	1,225.00	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
ISSUER	MEY	MANHATTAN CORPORATION LIMITED	ASX	11/11/2012	50000	0.009	450.00	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
ISSUER	MHC	MOKO MOBI LIMITED	ASX	11/11/2012	42617	0.14	5,966.38	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	MKB	MNET GROUP LIMITED	ASX	12/11/2012	10000	0.042	420.00	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	MMY	MOLPO ENERGY LIMITED	ASX	11/11/2012	28443	0.013	368.76	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	MPO	MACQUARIE ATLAS ROADS	ASX	11/11/2012	0	0.525	-	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	MPO	MACQUARIE ATLAS ROADS	ASX	12/11/2012	0	0.525	-	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	MOA	MATRIX METALS LIMITED	ASX	11/11/2012	96	1.49	143.04	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	MRX	NIDO PETROLEUM LIMITED	ASX	11/11/2012	8883	0.04	355.32	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
ISSUER	NDX	NORON GOLD FIELDS LIMITED	ASX	11/11/2012	220000	0.034	7,480.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	NGF	NUSEP HOLDINGS LTD	ASX	12/11/2012	0	0.19	-	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	NSP	OLYMPUS PACIFIC	ASX	11/11/2012	151019	0.087	13,138.65	BOARDROOM LIMITED	ROSS ASSET MANAGEMENT LIMITED
ISSUER	OYM	PALADIN RESOURCES LIMITED	ASX	11/11/2012	10000	0.2	2,000.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	OVN	PENINSULA ENERGY LIMITED	ASX	11/11/2012	12082	0.2	2,416.40	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	PEN	PARAGON CARE LIMITED	ASX	12/11/2012	19235	0.05	961.75	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	PGC	QUEST MINERALS LIMITED	ASX	12/11/2012	33411	0.195	6,515.15	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
ISSUER	QNL	RESOLUTE MINING LIMITED	ASX	12/11/2012	10760	0.011	118.36	SECURITY TRANSFERS	ROSS ASSET MANAGEMENT LIMITED
ISSUER	RSG	REWARD MINERALS LIMITED	ASX	12/11/2012	1936	1.98	3,833.28	SECURITY TRANSFERS	ROSS ASSET MANAGEMENT LIMITED
ISSUER	RWD	SMARTTRANS HOLDINGS LIMITED	ASX	12/11/2012	16192	0.8	12,953.60	REGISTRAR	ROSS ASSET MANAGEMENT LIMITED
ISSUER	SMA	STERHEALTH	ASX	12/11/2012	20000	0.007	1,400.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	STP	STERHEALTH	ASX	12/11/2012	12500	1.4	17,500.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED

SOLD HOLDING 133,040 ON 20/07/2012

SOLD HOLDING 80,000 26/07/2012

SOLD HOLDING 82,035 20/07/2012

SPONSOR	CODE	STOCK NAME	EXCHANGE	DATE OF HOLDING	QUANTITY	PRICE	VALUE	REGISTRY	REGISTERED HOLDER
ISSUER	SVC	SVC GROUP LIMITED	ASX	12/11/2012	223.3	0.022	51.11	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	UNC	UNC LIMITED	ASX	12/11/2012	6607	0.89	5,791.23	LINK	ROSS ASSET MANAGEMENT LIMITED
ISSUER	ZNC	ZINC CO AUSTRALIA LIMITED	ASX	12/11/2012	19639	0.18	3,593.02	SECURITY TRANSFERS	ROSS ASSET MANAGEMENT LIMITED
ISSUER		CELGIUS COAL LIMITED	ASX	12/11/2012	4569	0.019	86.81	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
ISSUER	FYI	FYI RESOURCES LIMITED	ASX	12/11/2012	4167	0.04	166.68	SECURITY TRANSFERS	ROSS ASSET MANAGEMENT LIMITED
ISSUER		CELGIUS COAL LIMITED	ASX	11/11/2012	1644	0.019	31.24	COMPUTERSHARE	ROSS UNIT TRUST LIMITED
ISSUER	AIW	AUSTRALIAN-AMERICAN MINING CORPORATION LTD	ASX	11/11/2012	12500	0.041	512.50	COMPUTERSHARE	ROSS UNIT TRUSTS LIMITED
						AUD	651,056.43		
						NZD	831,065.14		0.7834
ISSUER	CCC	CONTINENTAL COAL LIMITED	ASX	12/11/2012	10273	0.05	513.65	COMPUTERSHARE	Investor
ISSUER	PRA	PETSEC ENERGY LIMITED	ASX	12/11/2012	2625	0.155	408.88	BOARDROOM LIMITED	Investor
ISSUER	CHF	CHARTER PACIFIC LIMITED	ASX	12/11/2012	12000	0.07	840.00	LINK	Investor
ISSUER	CHF	CHARTER PACIFIC LIMITED	ASX	12/11/2012	28800	0.07	2,016.00	LINK	Investor
ISSUER	BSL	BLUESCOPE STEEL LIMITED	ASX	11/11/2012	2845	0.46	1,289.60	LINK	Investor
ISSUER	BSL	BLUESCOPE STEEL LIMITED	ASX	12/11/2012	2406	13.72	33,010.32	LINK	Investor
ISSUER	ARI	ARRIUM LIMITED	ASX	07/11/2012	727.00	0.745	541.62	COMPUTERSHARE	Investor
ISSUER	BSL	BLUESCOPE STEEL LIMITED	ASX	11/11/2012	1627	0.46	780.96	LINK	Investor
ISSUER	APA	APA GROUP	ASX	11/11/2012	5836	5.24	30,580.64	LINK	Investor
ISSUER	AWC	ALUMINA LIMITED	ASX	11/11/2012	905	0.86	778.30	COMPUTERSHARE	Investor
ISSUER	NAB	NATIONAL AUSTRALIA BANK LIMITED	ASX	11/11/2012	2427	23.81	57,786.87	COMPUTERSHARE	Investor
						AUD	128,524.84		0.7834
						NZD	164,060.29		
ISSUER	ARE	ARGONAUT RESOURCES NL	ASX	11/11/2012	0	0.069	-	LINK	DAVID ROBERT GILMOUR ROSS
ISSUER	CYN	CARNARVON PETROLEUM LIMITED	ASX	11/11/2012	0	0.079	-	LINK	DAVID ROBERT GILMOUR ROSS
ISSUER	PPT	PERPETUAL LIMITED	ASX	11/11/2012	0	29.37	-	LINK	DAVID ROBERT GILMOUR ROSS
ISSUER	XST	XSTATE RESOURCES LIMITED	ASX	11/11/2012	0	0.018	-	ADVANCED SHARE REGISTRY	DAVID ROBERT GILMOUR ROSS
						AUD	150000		
						0.012	1,800.00	BOARDROOM	ROSS ASSET MANAGEMENT LIMITED
GSE		GOLDSEARCH LIMITED	ASX	12/11/2012	5783	0.165	954.20	BOARDROOM	ROSS ASSET MANAGEMENT LIMITED
KBL		KBL MINING LIMITED	ASX	12/11/2012	4750	0.086	408.50	BOARDROOM	ROSS ASSET MANAGEMENT LIMITED
SML		SYNERGY METALS LIMITED	ASX	12/11/2012	151019	0.088	13,289.67	BOARDROOM	ROSS ASSET MANAGEMENT LIMITED
NSP		NUSEP HOLDINGS LIMITED	ASX	12/11/2012	43034	0.025	1,075.85	BOARDROOM	ROSS ASSET MANAGEMENT LIMITED
KTE		K2 ENERGY LIMITED	ASX	12/11/2012	10000	0.31	3,100.00	BOARDROOM	ROSS ASSET MANAGEMENT LIMITED
GDO		GOLDONE INTERNATIONAL LIMITED	ASX	12/11/2012	10000	0.012	1,200.00	BOARDROOM	ROSS ASSET MANAGEMENT LIMITED
GSE		GOLDSEARCH LIMITED	ASX	12/11/2012	445000	0.004	1,780.00	BOARDROOM	ROSS ASSET MANAGEMENT LIMITED
LGO		LONGREACH OIL LIMITED	ASX	12/11/2012	433596	0.006	2,601.58	BOARDROOM	DAGGER NOMINESS LIMITED
GCR		GOLDEN CROSS RESOURCES LIMITED	ASX	12/11/2012	331596	0.006	1,989.58	BOARDROOM	DAGGER NOMINESS LIMITED
GCR		GOLDEN CROSS RESOURCES LIMITED	ASX	12/11/2012	50234	0.064	2,712.64	BOARDROOM	DAGGER NOMINESS LIMITED
WWM		WENTWORTH HOLDINGS LIMITED	ASX	12/11/2012	300000	0.135	40,500.00	BOARDROOM	DAGGER NOMINESS LIMITED
NWR		NORTHWEST RESOURCES LIMITED	ASX	12/11/2012	500000	0.012	6,000.00	BOARDROOM	MERCURY ASSET MANAGEMENT LIMITED
GSE		GOLD SEARCH LIMITED	ASX	12/11/2012	893	0.31	276.83	BOARDROOM	UNITED ASSET MANAGEMENT LIMITED
GDO		GOLD ONE INTERNATIONAL LIMITED	ASX	12/11/2012					
						AUD	77,688.84		
BROKER	ADD	ADAVALE RESOURCES LIMITED	ASX	12/11/2012	30	0.015	0.45	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER	AIW	AUSTRALIAN-AMERICAN MINING CORPORATION LTD	ASX	12/11/2012	25893	0.041	1,061.61	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER	AIW	AUSTRALIAN-AMERICAN MINING CORPORATION LTD	ASX	12/11/2012	4000	0.041	164.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER	AIW	AUSTRALIAN-AMERICAN MINING CORPORATION LTD	ASX	12/11/2012	10840	0.041	444.44	COMPUTERSHARE	DAGGER NOMINEES LIMITED
BROKER	ARE	ARGONAUT RESOURCES NL	ASX	12/11/2012	5400	0.069	372.60	LINK	ROSS ASSET MANAGEMENT LIMITED
BROKER	ARE	ARGONAUT RESOURCES NL	ASX	11/11/2012	2138	0.069	147.38	LINK	DAVID ROBERT GILMOUR ROSS
BROKER	CAP	CARPENTARIA EXPLORATION LIMITED	ASX	11/11/2012	1716	0.26	429.00	LINK	BEVIS MARKS CORPORATION LTD
BROKER	CYN	CARNARVON PETROLEUM LIMITED	ASX	11/11/2012	65000	0.079	5,135.00	LINK	ROSS ASSET MANAGEMENT LIMITED

SOLD 05/04/2012
SOLD 05/04/2012
SOLD 667 ON 05/04/2012

SPONSOR	CODE	STOCK NAME	EXCHANGE	DATE OF HOLDING	QUANTITY	PRICE	VALUE	REGISTRY	REGISTERED HOLDER
BROKER	DRG	DRAIG RESOURCES LIMITED	ASX	12/11/2012	1025	0.13	133.25	REGISTRAR	DAGGER NOMINEES LIMITED
BROKER	DVA	DIVERSA LIMITED	ASX	11/11/2012	2693	0.02	76.94	LINK	MERCURY ASSET MANAGEMENT
BROKER	DVA	DIVERSA LIMITED	ASX	12/11/2012	3447	0.02	53.86	LINK	DAGGER NOMINEES LIMITED
BROKER	DVA	DIVERSA LIMITED	ASX	12/11/2012	4616	0.02	92.32	LINK	ROSS ASSET MANAGEMENT LIMITED
BROKER	EGO	EMPIRE OIL AND GAS	ASX	11/11/2012	460000	0.013	5,850.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER	FSE	FIRESTONE ENERGY LIMITED	ASX	11/11/2012	316539	0.008	2,534.71	COMPUTERSHARE	BEVIS MARKS CORPORATION LTD
BROKER	LTR	LIONTOWN RESOURCES LIMITED	ASX	12/11/2012	34687	0.038	1,317.35	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER	MBB	MOKO MOBI LIMITED	ASX	12/11/2012	7170	0.042	301.14	LINK	ROSS ASSET MANAGEMENT LIMITED
BROKER	MPE	MAGNUM GAS & POWER LIMITED	ASX	12/11/2012	100000	0.019	1,900.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER	NEN	NEON ENERGY LIMITED	ASX	07/11/2012	20,000.00	0.255	5,100.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER	PN	PENINSULA ENERGY LIMITED	ASX	12/11/2012	700001	0.05	35,000.05	LINK	ROSS ASSET MANAGEMENT LIMITED
BROKER	QAN	QANTAS AIRWAYS LIMITED	ASX	11/11/2012	6543	1.265	8,275.90	LINK	DAGGER NOMINEES LIMITED
BROKER	RFK	REDFLOW LIMITED	ASX	11/11/2012	8000	0.135	1,080.00	COMPUTERSHARE	BEVIS MARKS CORPORATION LTD
BROKER	RMI	FOCUS MINERAL LTD	ASX	12/11/2012	228	0.011	0.23	COMPUTERSHARE	DAGGER NOMINEES LIMITED
BROKER	AXM	APEX MINERALS NL	ASX	11/11/2012	200000	0.035	7,000.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - BELL POTTER	DLC	DELECTA LIMITED	ASX	12/11/2012	19	0.078	1.48	LINK	UNITED ASSET MANAGEMENT LIMITED
BROKER - BELL POTTER	DVA	DIVERSA LIMITED	ASX	12/11/2012	109898	0.005	549.99	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - BELL POTTER	QPN	QUEST PETROLEUM NL	ASX	12/11/2012	2893	0.02	53.86	LINK	ROSS ASSET MANAGEMENT LIMITED
			ASX	11/11/2012	612	0.008	4.90	COMPUTERSHARE	DAGGER NOMINEES LIMITED
BROKER - BELL POTTER	RSG	RESOLUTE MINING LIMITED	ASX	12/11/2012	4570	1.99	9,094.30	SECURITY TRANSFERS	ROSS ASSET MANAGEMENT LIMITED
BROKER - BELL POTTER	SHD	SHERWIN IRON LIMITED	ASX	11/11/2012	20100	0.06	1,206.00	REGISTRAR	ROSS ASSET MANAGEMENT LIMITED
BROKER - BELL POTTER	SIH	SHIYAO GOLD LIMITED	ASX	12/11/2012	17500	0.115	2,012.50	SECURITY TRANSFERS	ROSS ASSET MANAGEMENT LIMITED
BROKER - BERNDAL	UXC	UXC LIMITED	ASX	12/11/2012	0	0.89	-	LINK	DAGGER NOMINEES LIMITED
SECURITIES LIMITED	NEN	NEON ENERGY LIMITED	ASX	12/11/2012	13333	0.24	3,199.92	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
SECURITIES LIMITED	PEA	PACIFIC ENERGY	ASX	12/11/2012	0	0.46	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - CHALLENGER FIRST	PRR	PRIMA BIOMED LTD	ASX	12/11/2012	310715	0.13	40,392.95	BOARDROOM LIMITED	ROSS ASSET MANAGEMENT LIMITED
BROKER - CITIGROUP WEALTH	EHL	EMECO HOLDINGS LIMITED	ASX	12/11/2012	0	0.515	-	LINK	DAGGER NOMINEES LIMITED
BROKER - E.L. & C. BAILLIEU	EVE	ENERGY VENTURES LIMITED	ASX	12/11/2012	187500	0.008	1,500.00	LINK	ROSS ASSET MANAGEMENT LIMITED
BROKER - E.L. & C. BAILLIEU	MEY	MARENICA ENERGY LIMITED	ASX	12/11/2012	194942	0.009	1,754.48	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - E.L. & C. BAILLIEU	NDO	NIDO PETROLEUM LIMITED	ASX	12/11/2012	180000	0.034	6,120.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - E.L. & C. BAILLIEU	POS	POSEIDO Nickel Limited	ASX	12/11/2012	27500	0.105	2,887.50	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - E.L. & C. BAILLIEU	RHT	RESONANCE HEALTH LIMITED	ASX	12/11/2012	181591	0.017	3,087.05	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - E.L. & C. BAILLIEU	VLA	VIRAL YTICS LIMITED	ASX	12/11/2012	60000	0.42	25,200.00	LINK	ROSS ASSET MANAGEMENT LIMITED
BROKER - FOSTER	BRW	BREAKAWAY RESOURCES LIMITED	ASX	12/11/2012	20000	0.027	540.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - FOSTER	KKL	KOLAKORN CORPORATION LIMITED	ASX	12/11/2012	30000	0.013	390.00	BOARDROOM LIMITED	ROSS ASSET MANAGEMENT LIMITED
BROKER - GOLDMAN SACHS	AUZ	AUSTRALIAN MINES LIMITED	ASX	11/11/2012	25000	0.026	650.00	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - GOLDMAN SACHS	BKM	BKM MANAGEMENT LIMITED	ASX	11/11/2012	48000	0.003	144.00	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - GOLDMAN SACHS	MEY	MARENICA ENERGY LIMITED	ASX	11/11/2012	2250000	0.009	20,250.00	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - GOLDMAN SACHS	MTB	MOUNT BURGESS MINING N.L.	ASX	11/11/2012	400000	0.002	800.00	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - GOLDMAN SACHS	XST	XSTATE RESOURCES LIMITED	ASX	11/11/2012	667	0.018	12.01	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - GOLDMAN SACHS	XSTO	XSTATE RESOURCES LIMITED -OPTION	ASX	11/11/2012	334	0.001	0.33	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	AKP	AUDIO PIXELS LIMITED	ASX	07/11/2012	22,000.00	5.85	128,700.00	HARTLEYS HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	AUC	AUS GOLD LIMITED	ASX	07/11/2012	5,000.00	0.14	700.00	HARTLEYS HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	AUCO	AUS GOLD LIMITED OPTIONS MAR 13	ASX	07/11/2012	90,000.00	0.026	2,340.00	HARTLEYS HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	AUZ	AUSTRALIAN MINES LIMITED	ASX	12/11/2012	1500	0.028	39.00	ADVANCED SHARE REGISTRY	ACE INVESTMENT TRUST LTD
BROKER - HARTLEYS	AXM	APEX MINERALS	ASX	07/11/2012	19.00	0.08	1.52	HARTLEYS HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	AXMO	APEX MINERALS OPTIONS NOV 12	ASX	07/11/2012	2.00	0.001	0.00	HARTLEYS HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	BCN	BEACON MINERALS	ASX	07/11/2012	1,000,000.00	0.006	6,000.00	HARTLEYS HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	BKP	BARAKA PETROLEUM LIMITED	ASX	12/11/2012	63446	0.011	697.91	ADVANCED SHARE REGISTRY	ACE INVESTMENT TRUST LTD
			ASX	12/11/2012	12530	0.27	3,383.10	SECURITY TRANSFERS	MERCURY ASSET MANAGEMENT
BROKER - HARTLEYS	EME	ENERGY METALS LIMITED	ASX	12/11/2012	100000	0.001	100.00	ADVANCED SHARE REGISTRY	MERCURY ASSET MANAGEMENT
BROKER - HARTLEYS	EXM	EXCALIBUR LIMITED	ASX	11/11/2012	283,321.00	0.012	3,519.85	BOARDROOM LIMITED	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	GSE	GOLDSEARCH LIMITED	ASX	12/11/2012	200000	0.027	5,400.00	ADVANCED SHARE REGISTRY	ACE INVESTMENT TRUST LTD
BROKER - HARTLEYS	IGS	INTERNATIONAL GOLDFIELDS LIMITED	ASX	07/11/2012	5,089.00	0.79	4,020.31	HARTLEYS HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	IOH	IRON ORE HOLDINGS	ASX	07/11/2012	12,900.00	0.018	232.20	HARTLEYS HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	LEG	LEGEND MINING	ASX	07/11/2012	88000	0.018	1,584.00	ADVANCED SHARE REGISTRY	ACE INVESTMENT TRUST LTD
BROKER - HARTLEYS	LEG	LEGEND MINING LIMITED	ASX	12/11/2012	9600	0.018	172.80	ADVANCED SHARE REGISTRY	Related Party
BROKER - HARTLEYS	LEG	LEGEND MINING LIMITED	ASX	11/11/2012	32000	0.003	96.00	ADVANCED SHARE REGISTRY	ACE INVESTMENT TRUST LTD
BROKER - HARTLEYS	MAN	MAGNA MINING LIMITED	ASX	12/11/2012					

SOLD HOLDING 26.912 05/10/2012

HOLDING SOLD 72.105 27/08/2012

SPONSOR	CODE	STOCK NAME	EXCHANGE	DATE OF HOLDING	QUANTITY	PRICE	VALUE	REGISTRY	REGISTERED HOLDER
BROKER - HARTLEYS	MAT	MATSA RESOURCES LIMITED	ASX	12/11/2012	0	0.39	-	ADVANCED SHARE REGISTRY	ACE INVESTMENT TRUST LTD
BROKER - HARTLEYS	MAT	MATSA RESOURCES LIMITED	ASX	11/11/2012	60000	0.4	24,000.00	ADVANCED SHARE REGISTRY	Related Party
BROKER - HARTLEYS	MDG	MEDTECH GLOBAL LIMITED	ASX	12/11/2012	27306	0.035	955.71	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	MDG	MEDTECH GLOBAL LIMITED	ASX	11/11/2012	2500	0.035	87.50	ADVANCED SHARE REGISTRY	Related Party
BROKER - HARTLEYS	MEY	MARENICA ENERGY LIMITED	ASX	12/11/2012	318750	0.009	2,868.75	ADVANCED SHARE REGISTRY	ACE INVESTMENT TRUST LTD
BROKER - HARTLEYS	MUM	MOUNT MAGNET SOUTH	ASX	07/11/2012	115,000.00	0.043	4,945.00	HARTLEY'S HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	NUF	NUFARM LIMITED	ASX	11/11/2012	0	5.68	-	COMPUTERSHARE	MERCURY ASSET MANAGEMENT
BROKER - HARTLEYS	NUF	NUFARM LIMITED	ASX	11/11/2012	0	5.68	-	COMPUTERSHARE	ACE INVESTMENT TRUST LTD
BROKER - HARTLEYS	ONC	ONCARD INTERNATIONAL	ASX	12/11/2012	267	0.17	45.39	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	OYM	OLYMPUS PACIFIC	ASX	07/11/2012	10,819.00	0.19	2,055.61	HARTLEY'S HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	PCL	PANCONTINENTAL OIL AND GAS	ASX	11/11/2012	16000	0.09	1,440.00	ADVANCED SHARE REGISTRY	DAVID ROBERT GILMOUR ROSS
BROKER - HARTLEYS	PCL	PANCONTINENTAL OIL AND GAS	ASX	12/11/2012	4000	0.09	360.00	ADVANCED SHARE REGISTRY	ACE INVESTMENT TRUST LTD
BROKER - HARTLEYS	PCL	PANCONTINENTAL OIL AND GAS	ASX	11/11/2012	110,000	0.09	9,900.00	ADVANCED SHARE REGISTRY	Related Party
BROKER - HARTLEYS	PEA	PACIFIC ENERGY	ASX	07/11/2012	20,000.00	0.14	8,800.00	HARTLEY'S HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	RFX	REDFLOW LIMITED	ASX	11/11/2012	4000	0.35	540.00	COMPUTERSHARE	ACE INVESTMENT TRUST LTD
BROKER - HARTLEYS	SIR	SIRIUS RESOURCES NL	ASX	12/11/2012	0	2.61	-	COMPUTERSHARE	ROSS UNIT TRUSTS LIMITED
BROKER - HARTLEYS	SRK	STRIKE RESOURCES LIMITED	ASX	11/11/2012	2760	0.12	331.20	ADVANCED SHARE REGISTRY	DAVID ROBERT GILMOUR ROSS
BROKER - HARTLEYS	TRF	TRAFFORD RESOURCES LIMITED	ASX	12/11/2012	117800	0.26	30,628.00	ADVANCED SHARE REGISTRY	ACE INVESTMENT TRUST LTD
BROKER - HARTLEYS	WEC	WHITE ENERGY	ASX	07/11/2012	1,550.00	0.365	565.75	HARTLEY'S HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	WHE	WILDHORSE ENERGY	ASX	07/11/2012	62,500.00	0.059	3,687.50	HARTLEY'S HIN	UNITED ASSET MANAGEMENT LIMITED
BROKER - HARTLEYS	XST	XSTATE RESOURCES LIMITED	ASX	11/11/2012	667	0.018	12.01	ADVANCED SHARE REGISTRY	DAVID ROBERT GILMOUR ROSS
BROKER - INTERSUSSE LIMITED	EOC	ENDOCOAL LIMITED	ASX	12/11/2012	0	0.315	-	BOARDROOM LIMITED	ROSS ASSET MANAGEMENT LIMITED
BROKER - INTERSUSSE	HSK	HEEMSKIRK CONSOLIDATED LIMITED	ASX	12/11/2012	50000	0.12	6,000.00	BOARDROOM LIMITED	ROSS ASSET MANAGEMENT LIMITED
BROKER - INTERSUSSE	QTG	Q TECHNOLOGY GROUP LIMITED	ASX	12/11/2012	298000	0.014	4,144.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - INTERSUSSE	TEO	TELESSO TECHNOLOGIES LIMITED	ASX	12/11/2012	70000	0.014	980.00	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - INTERSUSSE	TOE	TORO ENERGY LIMITED	ASX	12/11/2012	183333	0.13	23,833.29	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - MACQUARIE	DVA	DIVERSA LIMITED	ASX	12/11/2012	3863	0.02	77.26	LINK	ROSS ASSET MANAGEMENT LIMITED
BROKER - MONTAGU PTY	CGX	CENTRAL ASIA GOLD LIMITED	ASX	12/11/2012	0	2.71	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - MONTAGU PTY	FML	FOCUS MINERAL LTD	ASX	12/11/2012	0	0.035	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - MONTAGU PTY	GGP	GOLDEN GATE PETROLEUM LIMITED	ASX	12/11/2012	0	0.007	-	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - MONTAGU PTY	IAU	INTERPID MINES LIMITED	ASX	12/11/2012	0	0.315	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - PATERSONS	BLZ	BLAZE INTERNATIONAL LIMITED	ASX	12/11/2012	350000	0.002	700.00	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - PATERSONS	EXM	EXCALIBUR LIMITED	ASX	12/11/2012	160000	0.001	160.00	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - PATERSONS	GED	GOLDEN DEEPS LIMITED	ASX	12/11/2012	100000	0.085	8,500.00	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - PATERSONS	GGP	GOLDEN GATE PETROLEUM LIMITED	ASX	12/11/2012	649901	0.007	4,549.31	ADVANCED SHARE REGISTRY	ROSS ASSET MANAGEMENT LIMITED
BROKER - PATERSONS	EEG	EMPIRE ENERGY GROUP LIMITED	ASX	12/11/2012	0	0.14	-	COMPUTERSHARE	ROSS ASSET MANAGEMENT LIMITED
BROKER - PATERSONS	WRR	WORLD REACH LIMITED	ASX	12/11/2012	1313	0.21	275.73	LINK	ROSS ASSET MANAGEMENT LIMITED
BROKER - SHAW	PSA	PETSEC ENERGY LIMITED	ASX	12/11/2012	93125	0.155	14,434.38	BOARDROOM LIMITED	ROSS ASSET MANAGEMENT LIMITED
BROKER - STONEBRIDGE	PAX	PANAX GEOTHERMAL LIMITED	ASX	12/11/2012	122900	0.005	614.50	COMPUTERSHARE	DAGGER NOMINEES LIMITED
BROKER - STONEBRIDGE	PAX	PANAX GEOTHERMAL LIMITED	ASX	12/11/2012	122900	0.005	614.50	COMPUTERSHARE	SECURITY TRANSFERS
BROKER - TRICOM	CAS	CRUSADER HOLDINGS NL	ASX	12/11/2012	46667	0.465	21,700.16	REGISTRAR	DAGGER NOMINEES LIMITED
BROKER - TRICOM	WCP	WCP RESOURCES LIMITED	ASX	12/11/2012	120000	0.082	9,840.00	COMPUTERSHARE	DAGGER NOMINEES LIMITED
BROKER - UBS WEALTH	FRE	FRESHTEL HOLDINGS LIMITED	ASX	12/11/2012	0	0.001	-	COMPUTERSHARE	DAGGER NOMINEES LIMITED

SOLD 18.023 03/08/2012, 15.000
04/09/2012, 45.439 06/09/2012

193,000 HOLDING SOLD 02/10/2012

<u>EXCHANGE</u>	<u>DATE OF HOLDING</u>	<u>QUANTITY</u>	<u>PRICE</u>	<u>CCY</u>	<u>VALUE</u>	<u>REGISTERED HOLDER</u>	<u>ORIGINAL CERT OR COPY</u>	<u>NOTES</u>
CA	26/04/2010	335	0.31	CAD	103.85	DAGGER NOMINEES LIMITED	ORIGINAL	
CA	26/04/2010	167	0.31	CAD	51.77	BEVIS MARKS CORPORATION LIMITED	ORIGINAL	
				CAD	155.62			
				NZD	190.92136			
LSE	29/01/2010	18400	0.7125	GBP	13110	ACE INVESTMENT TRUST LIMITED	ORIGINAL	CAN TRADE LSE OR TSX EXCHANGE
LSE	29/01/2010	15400	0.7125	GBP	10972.5	MERCURY ASSEST MANAGEMENT LIMI	ORIGINAL	CAN TRADE LSE OR TSX EXCHANGE
				GBP	#####			
				NZD	0.5129			
					#####			

Summary

Ross Entities	190.92136
	46,953.60
	831,056.14
	497,497.96
	<u><u>1,375,698.62</u></u>
RAM Clients	164,060.29
	29,865.76
	<u><u>193,926.05</u></u>
Related Parties	338,818.14
	<u><u>338,818.14</u></u>

ROSS ASSET MANAGEMENT LIMITED



MANAGEMENT DEED/CONTRACT

STRICTLY PRIVATE AND CONFIDENTIAL

CONTACT:

*David Ross
Executive Chairman*

*Ross Asset Management Limited
Level 14 Morrison Kent House
105 The Terrace
Wellington
NEW ZEALAND*

*Phone: (04) 471-1848
Facsimile: (04) 471-1919
Email: ram@ram.co.nz*

Parties

ROSS ASSET MANAGEMENT LIMITED

and

DAGGER NOMINEES LIMITED

MANAGEMENT DEED

MANAGEMENT DEED

THIS DEED is made on the date set out under the heading "The Date of this Deed" in the Schedule

PARTIES

- (1) The person named and described under the heading "The Client" in the Schedule
- (2) **ROSS ASSET MANAGEMENT LIMITED** at Wellington ("the Manager")
- (3) **DAGGER NOMINEES LIMITED** at Wellington ("the Nominee Company")

BACKGROUND

- A The Manager is engaged in the business of managing, administering and investing a wide range of interests for and on behalf of other persons.
- B The Client has requested the Manager to act as the Client's agent for the purpose of managing, administering and investing the Business of the Client contained in the Portfolio to which request the Manager has agreed on the condition that the Client enter into this Deed to define the terms, conditions and covenants upon which the Portfolio will be managed and administered.

THE PARTIES' AGREEMENT

1 DEFINITIONS

In this Deed unless the context otherwise requires:

- 1.1 "*Bank*" means any body corporate which carries on the business of banking in New Zealand or Australia;
- 1.2 "*Business*" includes:
 - 1.2.1 any commercial agreements entered into by or on behalf of the Client, including futures contracts and foreign exchange contracts;
 - 1.2.2 bills of exchange or promissory notes made, drawn or accepted by any person;
 - 1.2.3 money whether cash in hand or on deposit with a Bank;

- 1.2.4 equity securities of all kinds, whether fully paid up or not;
- 1.2.5 debt securities;
- 1.2.6 interests in real and personal property (including, without limitation, charges over property);
- 1.2.7 any right or option to take up any of the above;
- 1.2.8 any income or liabilities of the Client arising out of its interest in or ownership of any of the above,

and includes any other matter, right, interest or liability of any sort whatsoever which the Manager administers and manages on behalf of the Client under the terms of this Deed;

- 1.3 "*Manager*" means ROSS ASSET MANAGEMENT LIMITED and includes its successors and permitted assigns;
- 1.4 "*Market Value*" means the value of the Portfolio as shown in the most recent quarterly report issued by the Manager in accordance with clause 4.2 of this Deed;
- 1.5 "*Portfolio*" means the Business of the Client administered and managed by the Manager under the terms of this Deed and where the context requires, means all or any of the Business comprised in the Portfolio from time to time;
- 1.6 "*Working Day*" means a day on which Banks in Wellington are open for business.

2 INTERPRETATION

In this Deed unless the context otherwise requires:

- 2.1 Words importing any one gender shall include the other two;
- 2.2 Words importing the singular shall include the plural and vice versa;
- 2.3 Headings shall be ignored;
- 2.4 References to clauses are references to clauses in this Deed and references to parties are references to parties to this Deed;

- 2.5 A "person" shall include any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of a state in each case whether or not having separate legal personality;
- 2.6 Expressions referring to "writing" shall be construed as including references to words printed, typewritten, painted, engraved, lithographed or otherwise visibly represented, copied or reproduced;
- 2.7 References to any statute or regulation (or any provision of any of them) shall be read as if the words "or any statutory modification or re-enactment of it or in substitution for it" were added to the reference.

3 APPOINTMENT

The Client hereby appoints the Manager to be the agent of the Client for the purpose of managing and administering the Portfolio in accordance with the terms, conditions and covenants of this Deed and, (subject to clause 10), any instructions given to the Manager by the Client in accordance with this Deed and the Manager is hereby authorised to act as agent of the Client in the management and administration of the Portfolio in accordance with such terms, conditions, covenants and instructions and to incur any liabilities which result from the proper conduct of the Business of the Portfolio.

4 ACCEPTANCE

The Manager hereby accepts the above appointment and agrees to manage and administer the Portfolio in a proper manner. The Manager shall also:

- 4.1 Procure that such records as are necessary for the proper administration of the Portfolio are kept;
- 4.2 Procure that a detailed statement and report for the operation of the Portfolio is prepared quarterly;
- 4.3 Comply with any instructions given by the Client in accordance with this Deed (subject to clause 10).

5 TERMINATION

Each of the parties shall have the right at any time upon giving to the other party at least 30 Working Days' prior notice in writing or such shorter notice as agreed upon between the Manager and the Client to terminate this Deed and

from and after the expiry of such notice the provisions of this Deed and the appointment of the Manager shall terminate but without thereby releasing the Manager from liability for any prior breach of the provisions of this Deed or for any other act or omission of the Manager prior to that date or from the Manager's obligation (subject to clause 15) to account to the Client for all money received by the Manager which is payable to the Client. This clause does not release the Client from any liabilities incurred by or to the Manager before the expiry of this Deed.

6 OBLIGATIONS ON TERMINATION

Upon the termination of this Deed the Manager shall forthwith deliver to the Client all records and information kept by the Manager in connection with the Portfolio and any other information in any way relating to the Portfolio which the Client may require and shall, if called upon by the Client to do so within a reasonable time thereafter, supply all necessary comment or explanation in connection with such records and information. The Manager shall also deliver to the Client (or any person nominated by the Client) as soon as reasonably practicable after receiving a request to that effect from the Client, any of the Business of the Portfolio held in the name of the Nominee Company or any other nominee of the Manager (or such documentation as is required to give title to that part of the Business), and any cash held by the Manager as at the date of termination provided that if there are any outstanding liabilities in respect of the Portfolio or any costs, charges or expenses owing to the Manager, the Manager may retain any assets from the Portfolio until the Manager is satisfied that the said liabilities or costs have been discharged or otherwise adequately provided for by the Client or the Client's nominee.

7 MANAGEMENT AND ADMINISTRATION PROCEDURE

The management and administration of the Portfolio shall be carried out in accordance with the following procedure:

- 7.1 The Client will provide the Manager with a schedule showing details of all Business in the Portfolio as at the date of this Deed and any securities or contracts relating to investments in the Portfolio;
- 7.2 The Manager may retain such existing investments or any of them;
- 7.3 The Manager shall have full authority to invest the money and securities of the Portfolio subject to the instructions of the Client (subject to clause 10);

- 7.4 All investments shall be held in the name of the Nominee Company as nominee for the Client or such other nominee as approved by the Manager in accordance with clause 17;
- 7.5 When the realisation of any investment or investments is required the Manager shall select the investment or investments to be so realised;
- 7.6 All money in the Portfolio shall be handled by the Manager on behalf of the Client and when not invested shall be paid by the Manager at its discretion into an account to be opened by the Manager at a Bank in the name of the Client, and the Client agrees that the Manager shall have the sole signing authority over that account;
- 7.7 Where any securities in the Portfolio carry rights to attend and vote at meetings of any company, unless the Client instructs otherwise, the Nominee Company may appoint the Manager or any person nominated by the Manager as its proxy or representative and the Manager or such person may use its discretion to exercise those rights. The Manager is under no obligation to inform the Client of any such rights attached to the securities nor to advise the Client of the Manager's exercise of those rights.

8 INVESTMENT RATIOS

On the written request of the Client, the Manager will advise the Client of specific investment ratios for the Portfolio and the Manager's reason for such ratios and of the parameters of investment of them. The Manager may, from time to time, notify the Client of changes to the investment ratios for the Portfolio. Such notice shall specify the new ratios and the reasons for the change. The Manager shall use reasonable endeavours to ensure that the moneys and securities of the Portfolio are invested within the stated parameters, but the Manager will not be liable to the Client in the event that the investments of the Portfolio fall outside those parameters, except where the failure to comply is due solely to the wilful default of the Manager. In any case the Client acknowledges that the withdrawal of a substantial portion of the Business of the Portfolio may affect the ability of the Manager to comply with the investment ratios.

9 INSTRUCTIONS IN WRITING

The Client agrees that any directions or instructions given to the Manager concerning the management or administration of the Portfolio or any other

matter shall be given in writing by the Client to the Manager or, where the directions or instructions are made verbally, they shall not be acted upon by the Manager until they have been confirmed in writing either by the Client or by the Manager.

10 CLIENT'S INSTRUCTIONS

The Client acknowledges that it may not be possible for the Manager to comply immediately with any directions or instructions given in accordance with this Deed and agrees that the Manager may use its discretion in complying with any such directions or instructions provided that the Manager shall endeavour to comply with the directions or instructions in an expeditious manner. The Manager shall not be liable for any losses incurred by the Client as a result of market fluctuations during the period that the Manager is unable to comply with the Client's instructions. The Manager shall be under no obligation to comply with the Client's instructions where it believes such compliance might involve any of the parties in a contravention of any law, rule or regulation but the Manager shall notify the Client of its intention not to comply with any such instruction and (where possible) the reason for not doing so within a reasonable period of receiving such instruction from the Client. In particular, (but without limitation) the Client acknowledges that the Manager may be precluded from buying or selling securities issued by a public issuer if the Manager or a person associated with the Manager is an insider and has inside information (as those terms are defined in the Securities Amendment Act 1988) and that in such circumstances, the Manager may be unable to give reasons for the inability to accept an instruction from the Client because of the position as an insider of the Manager or a person associated with the Manager.

11 LOAN OF ASSETS

Except where prohibited by the Client, the Manager may lend any securities which are part of the Business comprising the Portfolio to brokers or dealers in securities where such broker or dealer provides adequate security for the performance of its obligations.

12 BORROWING

The Manager shall not borrow money against the security of the Portfolio or any part of the Portfolio without the consent of the Client.

13 ASSOCIATED PERSONS

13.1 The Manager may, where the Manager believes it is in the Client's best interests to do so, deal or arrange for the dealing on the Client's behalf in:

13.1.1 units in a unit trust or other collective investment scheme which is operated or advised by the Manager or by a person or agent associated with the Manager;

13.1.2 securities of which the issue or offer for sale was underwritten, sub-underwritten, managed or arranged by the Manager or an associated person;

13.1.3 securities which have been issued by, held or acquired for the account of the Manager or an associated person;

13.1.4 securities issued by, purchased or sold to anyone with whom the Manager has a banking or other relationship.

13.2 In addition to the above the Manager may, in the course of the management of the Portfolio:

13.2.1 effect transactions with the Client or on the Client's behalf where the Manager, or an associated person or agent of the Manager, has a material interest in the transaction or where the transaction may give rise to a conflict of interest;

13.2.2 purchase or sell for the Manager's other clients or for the Manager's own account any of the Business in the Portfolio;

13.2.3 have banking relationships with companies whose securities are held, purchased or sold for the Client's account.

13.3 The Manager shall disclose to the Client, as soon as possible after having entered into a contract on behalf of the Client, any pecuniary interest the Manager has in making that contract, unless to the best of the Manager's knowledge the Client is aware of the existence of such pecuniary interest.

14 FEES

14.1 Management Fees

The Manager shall be entitled to receive a management fee for the services provided by the Manager under this Deed, being an amount calculated on the fees basis from time to time notified in writing by the Manager to the Client or specifically agreed between them. Details of the present fees basis are set out in the Schedule under the heading "Fees Basis".

14.2 Brokerage

The Manager is entitled to charge the Client one per cent (1%) brokerage, or such other amount as may be agreed upon in writing by the Manager and the Client, on the price of any real property or charges over real property sold, purchased or received by the Manager on the Client's behalf.

14.3 Rental

The Manager shall receive a fee of five per cent (5%), or such other amount as may be agreed upon in writing by the Manager and the Client, of any rentals received by the Manager from the management of any real property that constitutes part of the Portfolio;

14.4 Commissions

The Client acknowledges that the Manager may receive any type of commission to recompense the Manager for time spent in establishing contacts or arrangements between third parties and the Client in relation to the investment of the Portfolio or any part of it with or in association with such third parties.

15 COSTS, CHARGES AND EXPENSES

The Manager may deduct from the value of the Portfolio the amount of any account rendered by the Manager to the Client for costs, charges and expenses, including goods and services tax and any fees incurred by the Manager in respect of any agent, nominee, custodian or adviser appointed under clause 17 incidental to the management and administration of the Portfolio and otherwise payable by the Client under this Deed.

16 ACCOUNTING RECORDS

Notwithstanding clause 4, the Manager shall keep proper and separate accounting records in respect of its management and administration pursuant to this Deed and the investments of the Portfolio and of money paid or

transferred to the Manager in respect of the Portfolio and shall no later than 30 June in each year submit to the Client a set of accounts (which shall include a Revenue Account and Balance Sheet) setting out all money paid and received by the Manager in connection with the Portfolio during the previous year ended on 31 March.

17 APPOINTMENT OF AGENT OR ADVISERS

17.1 The Manager shall not be bound to act personally on all matters relating to this Deed and to the Manager's obligations pursuant to this Deed and shall be at full liberty to employ an agent to transact such part of the administration, management or investment of the Portfolio as the Manager shall think fit but not involving the exercise of any discretion. The Manager shall also be entitled to obtain such professional advice and to retain such professional advisers as the Manager considers necessary in connection with the administration of the Portfolio.

17.2 The Manager shall be entitled to employ the services of custodians or nominees, approved by the Manager, and to register securities in the names of such custodians and nominees. The Manager shall be entitled to be paid by the Client for all charges and expenses incurred by the Manager in respect of the employment of such agent, custodian, nominee or adviser. The Manager shall not be liable for any default by such agent, custodian, nominee or adviser but upon receipt of written directions from the Client shall at the expense of the Client take such action as the Client directs in accordance with clause 19. The Manager will account to the Client for the proceeds, if any, of such action or proceeding.

18 LOSS AS A RESULT OF DISHONESTY, NEGLIGENCE OR WILFUL BREACH

The Manager shall not be liable for any loss occasioned by a decision or instruction of the Client or any act or decision which is attributable to dishonesty, negligence or wilful default of the Client. The Manager and the Nominee Company shall be indemnified by the Client against all costs whatsoever incurred by the Manager or the Nominee Company in successfully defending any proceedings or claim against the Manager or the Nominee Company in its capacity as Manager of the Portfolio or holder of any investments in the Portfolio.

19 LEGAL PROCEEDINGS

The Manager shall not take issue or commence or threaten to take issue or commence any Court or other action or proceeding in the name of or on behalf of the Client without first conferring with the Client and obtaining the Client's approval for such action and the Manager will upon receipt of written instructions and approval from the Client forthwith terminate settle or compromise any such action or proceedings in accordance with such instructions. The Manager may, after receiving written approval from the Client, compromise compound relinquish abandon or settle any claim demand suit action proceedings or defence relating to the Portfolio or generally relating to the rights and/or obligations of the parties to this Deed which has been made or brought by or against the Client or the Manager as the Manager shall think fit.

20 DEFAULT

If the Manager shall at any time fail to comply with the terms, conditions and covenants of this Deed, and to perform punctually the Manager's obligations pursuant to this Deed or if the Manager shall fail to administer and manage the Portfolio in a reasonably satisfactory manner then and in any such case the Client shall be entitled to determine the appointment of the Manager by 15 Working Days notice in writing to the Manager and from and after the expiry of such notice the provisions of this Deed and the appointment of the Manager shall terminate but without thereby releasing the Manager from liability for any antecedent breach of the provisions of this Deed or for any other act or omission of the Manager prior to that date or from the Manager's obligation (subject to clause 15) to the Client for all money received by the Manager which is payable to the Client.

21 INDEMNITY

The Client will save harmless and indemnify the Manager, its officers, the Nominee Company and any agent, custodian, nominee or adviser appointed pursuant to clause 17 of this Deed from and against any liability including all claims, accounts and demands and against all loss that may be suffered by them or any of them by reason of any liability (including any liability for taxes) howsoever arising relating to the investment, management or administration of the Portfolio and will indemnify and keep indemnified the Manager, its officers, the Nominee Company and any such agents, custodians, nominees or advisers against all calls, liabilities, actions, suits, proceedings, expenses, costs, penalties, claims and demands whatsoever that may be claimed, taken or made against, or incurred by the Manager, its officers, the Nominee Company

or any agents, custodians, nominees or advisers in relation to the Portfolio or arising from a breach by the Client of clause 29.2 of this Deed.

22 ARBITRATION

Any dispute or difference arising out of or in connection with this Deed or as to any matter or thing arising out of the appointment of the Manager and the management, administration or investment of the Portfolio by the Manager shall be determined in accordance with the Arbitration Act 1996 except that where the Client and the Manager fail to agree on the appointment of an arbitrator within 5 Working Days of referral of the dispute to arbitration, the appointment will be made by the President for the time being of the Wellington District Law Society.

23 ADDITION VARIATION OR MODIFICATION

The Manager and the Client agree that neither party shall be entitled unilaterally to add to, vary or in any way modify the terms conditions and covenants of this Deed and no addition variation or modification shall have any effect unless it has been reduced to writing and signed by both the parties to this Deed.

24 ASSIGNMENT

The Manager may at any time assign its rights and transfer its obligations pursuant to this Deed to any company which is incorporated in New Zealand, at least 50% of the share capital of which is held by the Manager and/or David Robert Gilmour Ross and/or Jillian Elizabeth Ross. The Client hereby consents to any such assignment or transfer. The Client may not assign any of its rights or transfer any of its obligations pursuant to this Deed.

25 NOTICES

Any notice to be given to any party by the other party shall be given in writing, and may be delivered by personal delivery or sent by prepaid airmail post or by telegram or facsimile to the following addresses:

24.1 in the case of the Manager:

Address: 14th Floor
Morrison Kent House
105 The Terrace
PO Box 2552

Wellington

Telephone No: (04) 471 1848

Facsimile No: (04) 471 1919

24.2 in the case of the Client, to the address specified in the Schedule

or to such other address as may from time to time be notified in writing by any such party to the other party for this purpose. Unless the contrary is shown, any such notice given or sent as outlined above, shall be deemed to have been given, sent, served or received at the time of delivery (if given or served by personal delivery or by telegram), two days after being deposited in the post (if given or sent by letter) or on despatch (if given or sent by facsimile provided that the correct confirmation of receipt is obtained).

26 LIMITATION OF LIABILITY

The Client acknowledges that

the management, administration and investment of the Portfolio will be undertaken by the Manager on the basis that the Manager and the Manager's employees, agents, nominees, custodians or advisers (in this clause called "the Manager's Assistants") will exercise reasonable care and skill in the administration of the Portfolio and the performance of the Manager's obligations pursuant to this Deed;

having regard to the unavoidable risks attendant upon the business of investment and portfolio management, it is fair and reasonable that any liability of the Manager or the Manager's Assistants whether arising in contract or in tort (including but not limited to negligence) or otherwise howsoever in respect of any act or omission or error of judgment of the Manager or the Manager's Assistants in the course of the performance of the Manager's obligations under this Deed or in the provision of any information advice or reports to the Client, excluding any liability arising directly or indirectly from any malicious, fraudulent or dishonest act of the Manager or the Manager's Assistants or any act or omission to act by the Manager or the Manager's Assistants with intent to cause loss to the Client, shall not exceed an amount which is 3 times the amount of fees payable by the Client to the Manager in the year in which such liability arose. This limitation shall apply both to all claims made, or events the cause of action in respect of which arose, in any one year and to any related series of claims or events.

27 MANAGER'S BUSINESS INTERESTS

The Client acknowledges that the Manager may act as agent or manager for other parties and undertake personal investments on its own behalf, and in such capacities the Manager may enter into transactions which run counter to the interests of the Client. Subject to the foregoing, the Client acknowledges that the Manager owes no duty of disclosure to the Client of such transactions and is not accountable to the Client for any profits gained by the Manager or losses incurred by the Client from any such transactions.

28 NOMINEE COMPANY'S UNDERTAKING

The Nominee Company undertakes that it shall not carry on business or do any act matter or thing except in accordance with or incidental to the following objects:

- 28.1 to act as a nominee company holding any assets and undertaking any obligations or liabilities of any Business comprised in the Portfolio or otherwise under the management of the Manager or any other manager associated with the Manager (each being referred to as a "Nominee's Principal"), upon a bare trust for the legal or beneficial owners thereof;
- 28.2 on behalf of the beneficial owner or owners to execute and give all such variations, discharges, transfers, instruments, acknowledgements and other documents and perform all such acts and things as may be required in respect of any asset held by or obligation or liability undertaken by the Nominee Company;
- 28.3 to do all other acts, matters, and things provided for in this Deed or any similar agreement with other customers of the Nominee's Principal or otherwise required by the Nominee's Principal for the proper administration of the Portfolio or other portfolios managed by the Nominee's Principal.

29 COVENANTS BY CLIENT

The Client covenants to the Manager that:

- 29.1 except as otherwise disclosed to the Manager it is the beneficial owner of the Business in the Portfolio and has full authority to appoint the Manager to

manage and administer the Portfolio, on the terms and conditions set out in this Deed;

- 29.2 if the Client is an insider of any public issuer and is in possession of inside information about a public issuer, as those terms are defined in the Securities Amendment Act 1988, or if the Client becomes an insider or comes into possession of such inside information it will not instruct the Manager to deal in the securities of the public issuer in respect of which the Client is an insider or has inside information in circumstances where any buying or selling of those securities by the Client would give rise to a potential liability on the part of the Client under the Securities Amendment Act 1988. Where the Client is an insider of a public issuer, the Client shall not in any circumstances disclose any inside information about the public issuer to the Manager.

30 CONFIDENTIALITY

Each of the parties will at all times respect and protect any and all confidential information which comes to its knowledge or into its possession in connection with this Deed, except under compulsion of law including any obligation of the Manager or any person associated with the Manager to disclose such information pursuant to the requirements of Part II of the Securities Amendment Act 1988 or any regulations made pursuant to that Act.

31 GOVERNING LAW

This Deed shall be governed by and construed in accordance with New Zealand law.

IN WITNESS WHEREOF this Deed has been executed on the date first mentioned above.

MANAGEMENT DEED

15

THE SCHEDULE

The Date of this Deed:

The Client:

Name

Description

Address

Fees Basis: % of the Market Value of the Portfolio.

SIGNED by the Client
named above

in the presence of:

Name:

Occupation:

Address:

ROSS ASSET MANAGEMENT
LIMITED by:

Director

in the presence of:

Name:

Occupation:

Address:

DAGGER NOMINEES LIMITED

by:

Director

in the presence of:

Name:

Occupation:

Address:

ROSS ASSET MANAGEMENT LIMITED

Investment Report Prepared For

NZD As at 30-Sep-04



Ross Asset Management Limited
Morrison Kent House
105 The Terrace
WELLINGTON NEW ZEALAND
Phone: (04)471-1848
Fax : (04)471-1919
Email: enquiries@ram.co.nz

30-Sep-04

<i>Opening Balance</i>	<i>Net Contributions</i>	<i>Closing Balance</i>	<i>Net Yield for the Period</i>
\$112,936.70	\$150,000.00	\$278,061.37	\$15,124.67 5.75 %

Yield Summary Reconciliation

<i>Realised Gain/(loss)</i>	<i>Unrealised Gain/(Loss)</i>	<i>Net Income</i>	<i>Net Expense</i>	<i>Change In fees Accrued</i>	<i>Net Yield for Period</i>
\$11,149.90	\$3,386.93	\$1,284.74	(\$283.05)	(\$413.85)	\$15,124.67
<i>Net Yield Year Totdate Since</i>	<i>30/09/2003</i>	16.43	%		
<i>Net Yield Todate Since</i>	<i>16/04/2002</i>	50.89	%		

30-Sep-04

<i>Date</i>	<i>Description</i>	<i>Debit</i>	<i>Credit</i>
30/06/2004	Opening Balance	\$0.00	\$398.60
1/07/2004	Dividend Glaxosmithkline Plc	\$0.00	\$120.05
6/07/2004	Dividend Sonnet Corp Ltd	\$0.00	\$1,369.83
6/07/2004	Withholding Tax	-\$205.14	\$0.00
12/07/2004	Sale Cable & Wireless Plc	\$0.00	\$21,351.96
12/07/2004	Pchs BAE Systems Plc	-\$18,002.86	\$0.00
20/07/2004	Mgmt Fee Ross Asset	-\$283.05	\$0.00
29/07/2004	Sale Glaxosmithkline Plc	\$0.00	\$13,460.44
4/08/2004	Sale Celltech Group Plc	\$0.00	\$2,503.14
5/08/2004	Pchs BAE Systems Plc	-\$16,005.03	\$0.00
7/09/2004	Sale Sonnet Corp Ltd	\$0.00	\$29,469.00
7/09/2004	Pchs Harvey Norman Holdings Ltd	-\$34,002.36	\$0.00
22/09/2004	Pchs Cochlear Ltd	-\$74,959.21	\$0.00
22/09/2004	Pchs Rio Tinto Ltd	-\$74,880.95	\$0.00
22/09/2004	Contribution New Zealand Dollars	\$0.00	\$150,000.00
Totals		-\$218,338.60	\$218,673.02
Closing Balance			\$334.42

<i>Client</i>	<i>Country</i>	<i>Sector</i>	<i>Percentage</i>
---------------	----------------	---------------	-------------------

30-Sep-04

Australia

Diversified Minerals	27.7874 %
Medical	30.767 %
Comm Serv/Financial	13.2217 %
Diamonds/Precious St	3.4037 %
Retail	12.4535 %
	87.6333 %

New Zealand

Cash	0.12 %
	0.12 %

United Kingdom

Miscellaneous	12.2468 %
	12.2468 %

Portfolio Summary Quarterly Report To 30-Sep-04

Assets Held	Book Value	Market Value
Cash		
	\$334.42	\$334.42
Australian Equities		
<i>Exchange Rate</i>	0.9288	
Resmed Inc		
5,140 <i>at</i> 6.66 <i>per share</i>	\$32,979.29	\$36,856.59
Rio Tinto Ltd		
1,850 <i>at</i> 37.97 <i>per share</i>	\$74,880.95	\$75,629.31
Minotaur Resources Ltd		
6,250 <i>at</i> 1.41 <i>per share</i>	\$11,774.70	\$9,488.05
Harvey Norman Holdings Ltd		
10,930 <i>at</i> 2.95 <i>per share</i>	\$34,002.36	\$34,715.22
Cochlear Ltd		
3,340 <i>at</i> 23.85 <i>per share</i>	\$74,959.21	\$85,765.50
Berkerley Res Options 30/11/0		
25,000 <i>at</i> 0.068 <i>per share</i>	\$140.00	\$1,830.32
Great British Equities		
<i>Exchange Rate</i>	0.369	
BAE Systems Plc		
5,605 <i>at</i> 2.2475 <i>per share</i>	\$34,007.89	\$34,138.86
Total Portfolio Value	\$263,078.82	\$278,758.27
Less Accrued Management Fees	-\$696.90	-\$696.90
Value of Total Portfolio As At 30/09/2004	\$262,381.92	\$278,061.37

ROSS ASSET MANAGEMENT LIMITED

Investment Report Prepared For

NZD As at 31-Dec-07



Ross Asset Management Limited
Morrison Kent House
105 The Terrace
WELLINGTON NEW ZEALAND
Phone: (04)471-1848
Fax : (04)471-1919
Email: enquiries@ram.co.nz

31-Dec-07

<i>Opening Balance</i>	<i>Net Contributions</i>	<i>Closing Balance</i>	<i>Net Yield for the Period</i>
\$1,878,995.80	(\$8,000.30)	\$1,729,748.50	(\$141,247.00) (7.51) %

Yield Summary Reconciliation

<i>Realised Gain/(loss)</i>	<i>Unrealised Gain/(Loss)</i>	<i>Net Income</i>	<i>Net Expense</i>	<i>Change In fees Accrued</i>	<i>Net Yield for Period</i>
\$124,616.29	(\$263,370.41)	\$1,842.33	(\$4,709.26)	\$374.05	(\$141,247.00)
<i>Net Yield Year Totdate Since 31/12/2006</i>					
		9.51	%		
<i>Net Yield Totdate Since 10/06/2005</i>					
		48.82	%		

31-Dec-07

<i>Date</i>	<i>Description</i>	<i>Debit</i>	<i>Credit</i>
1/10/2007	Opening Balance	\$0.00	\$10,373.19
1/10/2007	Withdrawal New Zealand Dollars	-\$8,000.30	\$0.00
17/10/2007	Sale Austar United Communications	\$0.00	\$539,000.15
20/10/2007	Mgmt Fee Ross Asset	-\$4,709.26	\$0.00
1/11/2007	Dividend Jetset Travelworld Ltd	\$0.00	\$1,842.33
7/11/2007	Pchs Equinox Minerals Ltd	-\$255,086.40	\$0.00
8/11/2007	Pchs Kinross Gold Corp	-\$278,951.46	\$0.00
9/11/2007	Sale Ivanhoe Mines Ltd	\$0.00	\$167,927.80
9/11/2007	Pchs Cognos Inc	-\$167,664.61	\$0.00
13/11/2007	Sale CSR Ltd	\$0.00	\$145,488.00
19/11/2007	Pchs Silver Wheaton Corp	-\$135,550.21	\$0.00
19/12/2007	Pchs Eastern Star Gas Ltd	-\$5,746.85	\$0.00
<i>Totals</i>		-\$855,709.09	\$864,631.47
<i>Closing Balance</i>			\$8,922.37

<i>Client</i>	<i>Country</i>	<i>Sector</i>	<i>Percentage</i>
31-Dec-07			
Australia			
		Miscellaneous	2.7825 %
		Gold Mining	10.515 %
		Diversified Minerals	4.6311 %
		Medical	2.3905 %
		Oil Co Exp & Prod	9.3258 %
		Comm Serv/Financial	0.3356 %
		Computers - Misc	1.886 %
		Diversified Operatio	5.3885 %
		Coal	5.2658 %
			42.5208 %
Canada			
		Gold Mining	15.6496 %
		Diversified Minerals	15.9488 %
		Comm Serv/Financial	10.8013 %
		Metal/Aluminum	4.5786 %
			46.9783 %
New Zealand			
		Cash	0.5145 %
			0.5145 %
United States of America			
		Miscellaneous	8.9406 %
		Gold Mining	0.4833 %
		Medical	0.5625 %
			9.9864 %

Portfolio Summary

Report To 31-Dec-07

Assets Held		Book Value	Market Value
Cash Equities			
Exchange Rate NZ\$	1		
New Zealand Dollars			
		\$8,922.37	\$8,922.37
Canadian Equities			
Exchange Rate NZ\$	0.7502		
Kinross Gold Corp			
11,125 at \$ 18.30	per share	\$278,951.46	\$271,377.63
Cognos Inc			
2,460 at \$ 57.12	per share	\$167,664.61	\$187,303.65
Denison Mines Corp			
6,700 at \$ 8.89	per share	\$118,949.89	\$79,396.16
Equinox Minerals Ltd			
38,000 at \$ 5.46	per share	\$255,086.40	\$276,566.25
Australian Equities			
Exchange Rate NZ\$	0.8761		
Computershare Ltd			
2,900 at \$ 9.88	per share	\$32,922.79	\$32,704.03
Eastern Star Gas Ltd			
59,961 at \$ 0.43	per share	\$14,023.54	\$29,429.55
Focus Minerals Ltd			
500,000 at \$ 0.083	per share	\$28,200.00	\$47,369.02
GME Resources Ltd			
26,404 at \$ 0.45	per share	\$20,719.29	\$13,562.15
Insurance Australia Group			
10,000 at \$ 4.12	per share	\$62,104.00	\$47,026.60
Intrepid Mines Ltd			
1,688 at \$ 0.29	per share	\$1,163.92	\$558.75
Mount Burgess Gold Mining			
50,000 at \$ 0.091	per share	\$4,446.37	\$5,193.47
Wentworth Mutual Ltd			
22,167 at \$ 0.23	per share	\$17,822.74	\$5,819.44
Paladin Resources Ltd			
2,500 at \$ 6.79	per share	\$29,537.75	\$19,375.64

Portfolio Summary

Report To 31-Dec-07

Assets Held		Book Value	Market Value
Roc Oil Co Ltd			
37,600 at \$ 3.03	<i>per share</i>	\$129,013.24	\$130,039.95
Sino Gold Ltd			
22,260 at \$ 6.95	<i>per share</i>	\$174,306.93	\$176,586.01
Strike Resources Ltd			
40,000 at \$ 2.00	<i>per share</i>	\$39,164.00	\$91,313.78
Shell Villages & Resorts Ltd			
4,471 at \$ 0.24	<i>per share</i>	\$2,909.32	\$1,224.79
Viralytics Ltd			
432,350 at \$ 0.084	<i>per share</i>	\$84,397.57	\$41,453.49
Victoria Petroleum			
12,500 at \$ 0.14	<i>per share</i>	\$3,977.65	\$1,997.49
Victoria Petroleum Opts 01/10			
3,125 at \$ 0.07	<i>per share</i>	\$0.00	\$249.69
Jetset Travelworld Ltd			
21,600 at \$ 3.79	<i>per share</i>	\$16,280.23	\$93,441.39
United States Equities			
Exchange Rate NZ\$	0.7662		
Anglogold Ltd			
150 at \$ 42.81	<i>per share</i>	\$7,357.73	\$8,380.97
Silver Wheaton Corp			
7,000 at \$ 16.97	<i>per share</i>	\$135,550.21	\$155,037.85
Elan Corp Plc			
340 at \$ 21.98	<i>per share</i>	\$3,431.89	\$9,753.59
Total Portfolio Value		\$1,636,903.90	\$1,734,083.71
Less Accrued Management Fees		-\$4,335.21	-\$4,335.21
Value of Total Portfolio As At 31/12/2007		\$1,632,568.69	\$1,729,748.50

CAPTION and SUMMARY

SERIOUS FRAUD OFFICE
(Informant)

v

David Robert Gilmour ROSS
105 Woburn Road
Woburn
LOWER HUTT 5010

DOB: 19/04/1950
OCC: Company director

(Defendant)

CRI-2013-085-6852

David Robert Gilmour ROSS

CHARGES: False accounting by officer or member of body corporate (x2)
ACT: Crimes Act 1961, section 252
PENALTY: 7 years imprisonment
CRN: 13085501936 – 37

CHARGES: False accounting (x2)
ACT: Crimes Act 1961, section 260
PENALTY: 10 years imprisonment
CRN: 13085501938 – 39

CHARGES: Theft by person in special relationship (x1)
ACT: Crimes Act 1961, sections 220 and 223(a)
PENALTY: 7 years imprisonment
CRN: 13085501935

AGREED SUMMARY OF FACTS

BACKGROUND

1. David Robert Gilmour Ross was a financial advisor who for approximately 23 years offered investment/fund management services through the company – Ross Asset Management Limited (RAM). Mr Ross was approved as an Authorised Financial Adviser (AFA) by the Financial Markets Authority (FMA) on 12 July 2011.

2. Mr Ross was the sole director of RAM for all material times. Mr Ross and his wife have always been the joint shareholders of RAM (in equal shares).
3. Mr Ross had sole responsibility and sole decision-making authority for all aspects of the operation of RAM. Mr Ross was assisted (administratively) by two RAM administrative assistants.
4. Prior to going out on his own Mr Ross had worked in the funds management industry first with the (then) ANZ, and then Leadenhall Capital Partners (Leadenhall).
5. Initially a lot of Mr Ross' Leadenhall clients transferred their investments to RAM after Mr Ross incorporated RAM. This is how RAM's clients were initially sourced. The majority of new RAM clients were sourced through "word-of-mouth" and/or overseas advertisements.
6. All RAM investors received an introductory pack prior to, or on the commencement of, their investment with RAM. Initially the RAM introductory pack comprised an engagement letter and RAM Management Deed.
7. After Mr Ross was approved as an AFA the RAM introductory pack comprised an engagement letter, RAM Management Deed, primary disclosure statement, and secondary disclosure statement. In summary, the primary and secondary disclosure statements advised of Mr Ross' AFA status and related details.

RAM MANAGEMENT DEEDS

8. The RAM Management Deeds contained the following clauses:

4 ACCEPTANCE

The Manager hereby accepts the above appointment and agrees to manage and administer the Portfolio in a proper manner. The Manager shall also:

...

- 4.3 Comply with any instructions given by the Client in accordance with this Deed (subject to *clause 10*).

7 MANAGEMENT AND ADMINISTRATION PROCEDURE

The management and administration of the Portfolio shall be carried out in accordance with the following procedure:

...

- 7.6 All money in the Portfolio shall be handled by the Manager on behalf of the Client and when not invested shall be paid by the Manager at its discretion into an account to be opened by the Manager at a Bank in the name of the Client, and the Client agrees that the Manager shall have the sole signing authority over that account;

...

RAM INVESTMENT REPORTS

9. RAM provided quarterly investment reports to RAM investors. The following information was included in these reports:
- A list of the transactions for the quarter (investor contributions, investor withdrawals, purchase of securities, sale of securities, interest received, dividends received, and management fees); and
 - The book value and market value of RAM investors' portfolios held at the end of the quarter.

RAM MANAGEMENT FEES AND COMMISSIONS

10. Management fees were calculated each quarter as a percentage of the market value of a RAM investor's portfolio. Typically such fees ranged between 1% and 1.5% of the market value of a RAM investor's portfolio. Such fees, as set out in the quarterly investment reports, were debited to RAM client cash accounts. Any subsequent withdrawal by a RAM investor would have been net of management fees.

11. As a result of false accounting such fees were calculated on false amounts. Similarly, commissions were calculated on false amounts.

RECEIVERS AND MANAGERS

12. After receiving complaints from RAM investors who were either experiencing difficulties in trying to withdraw their funds from RAM, or who were simply not able to withdraw their funds from RAM, the FMA applied to the High Court of New Zealand (the High Court) for asset preservation orders and orders appointing Receivers and Managers for Mr Ross and all entities associated with Mr Ross (in terms of Mr Ross' investment/funds management services) under subpart 4 of the Financial Advisers Act 2008. This was done primarily to identify and preserve assets of Mr Ross and the entities so associated with Mr Ross.
13. John Fisk and David Bridgman of PwC were appointed Receivers and Managers of the Ross Group pursuant to orders of the High Court (Wellington) dated 6 November 2012. The entities initially comprising the Ross Group (i.e. the entities initially placed into receivership and management pursuant to these orders) were as follows:
 - RAM;
 - Bevis Marks Corporation Limited (Bevis Marks) ;
 - Dagger Nominees Limited;
 - McIntosh Asset Management Limited;
 - Mercury Asset Management Limited;
 - Ross Investment Management Limited;
 - Ross Unit Trusts Management Limited;
 - United Asset Management Limited;
 - Chapman Ross Trust;
 - Woburn Ross Trust; and
 - Mr Ross.
14. The following entities were subsequently added to the Ross Group of entities placed into receivership and management pursuant to the above orders:

- Ace Investments Limited or Ace Investment Trust Limited or Ace Investment Trust;
- Vivian Investments Limited; and
- Ross Units Trusts Limited.

15. In their first report to the High Court dated 13 November 2012 the Receivers and Managers identified the following:

- Individual investor accounts held purported investments totalling around \$449.6 million;
- The majority of investments (approximately \$437.6 million) were held under the name Bevis Marks and related to securities purportedly held in American, Australian, Canadian, European, New Zealand and United Kingdom companies;
- Only investments totalling \$10.214 million existed held by various parties such as brokers, registries, banks etc;
- Total investor withdrawals and management fees charged by RAM over the last five years exceeded contributions by more than \$60 million; and
- It was likely the historical returns advised to investors were exaggerated or fictitious.

16. The following entities in the Ross Group were (also) placed into liquidation in December 2012:

- RAM;
- Bevis Marks;
- Dagger Nominees Limited;
- McIntosh Asset Management Limited;
- Mercury Asset Management Limited;
- Ross Investment Management Limited;
- Ross Unit Trusts Management Limited; and
- United Asset Management Limited.

BEVIS MARKS HELD SECURITIES

False accounting: CRNs ending 13085501936 – 39

17. For several years Mr Ross instructed RAM's administrative assistants (either verbally, by handwritten note, or by email) to enter false securities transactions into RAM's computer system. RAM's administrative assistants did not know such entries were false. The false securities transactions were all recorded as being conducted through a fictitious broker named Bevis Marks. The securities transactions were all fictitious (101,981 false transactions were entered into RAM's computer system).
18. Between about 30 June 2000 and about 30 September 2003 fictitious transactions for the trading of Bevis Marks held securities resulting in profits of \$36,489,317.88 were entered into RAM's computer system by RAM's administrative assistants on Mr Ross' instructions.
19. Between about 1 October 2003 and 30 September 2012 fictitious transactions for the trading of Bevis Marks held securities resulting in profits of \$314,993,877.92 were entered into RAM's computer system by RAM's administrative assistants on Mr Ross' instructions.
20. Between about 30 June 2000 and about 30 September 2003 fictitious transactions accounting for the closing position of Bevis Marks held securities as at 30 September 2012 totalling \$106,599.85 were entered into RAM's computer system by RAM's administrative assistants on Mr Ross' instructions.
21. Between about 1 October 2003 and about 30 September 2012 fictitious transactions accounting for the closing position of Bevis Marks held securities as at 30 September 2012 totalling \$384,804,510.61 were entered into RAM's computer system by RAM's administrative assistants on Mr Ross' instructions.
22. Mr Ross admitted to instructing RAM's administrative assistants to enter fictitious Bevis Marks transactions in RAM's computer system. Mr Ross admitted knowing such instructions were dishonest. Mr Ross admitted to false accounting.

23. The quarterly investment reports for RAM investors were generated from RAM's computer system. The false accounting either hid losses from RAM investors and/or over-stated the performance of investor portfolios.
24. The information contained in such reports was instrumental in attracting new RAM investors, or in causing existing RAM investors to either maintain their existing investments in RAM or to invest further funds in RAM.

INVESTOR FUNDS

Theft by person in special relationship: CRN ended 13085501935

25. Between about 1 October 2003 and about 31 October 2012 Mr Ross, as sole director of RAM, had control of over \$200 million of RAM investor funds. RAM's administrative assistants entered the receipt of investor funds into RAM's computer system as client contributions.
26. These funds were received on the terms that they were to be managed in a proper manner, that they were to be managed in compliance with any instructions given by a RAM investor, and when not invested, that they were to be paid into a bank account in the name of the relevant RAM investor.
27. Mr Ross admitted knowing of, and understanding, these terms. Mr Ross admitted knowing, and understanding, he was required to deal with these investor funds in accordance with these terms.
28. Mr Ross deliberately or purposefully dealt with these investor funds otherwise than in accordance with these terms when he used funds to repay investments of other RAM investors (i.e. when he used one investor's funds to repay another investor's investment), and when he used these funds to fund the operations of RAM (i.e. for RAM business expenditure).
29. Mr Ross admitted to not acting in the interests of RAM investors. Mr Ross admitted to acting in breach of the RAM Management Deeds. Mr Ross admitted to running a Ponzi scheme.

OVERALL LOSS

30. Hundreds of RAM investors, both from New Zealand and overseas, have lost in excess of \$115 million through investing with Mr Ross.

PREVIOUS CONVICTIONS

31. Mr Ross is 63 years old and has not previously appeared before the Court.

**IN THE DISTRICT COURT
AT WELLINGTON**

CRI-2013-085-007462

**SERIOUS FRAUD OFFICE
FINANCIAL MARKETS AUTHORITY**

Informants

v

DAVID ROBERT GILMOUR ROSS

Defendant

Hearing: 15 November 2013

Appearances: K McDonald QC for the Informants
G Turkington for the Defendant

Judgment: 15 November 2013

NOTES OF JUDGE D R W BARRY ON SENTENCING

[1] Mr Ross, you are 63 years old. You stand for sentence here in respect of four representative charges of false accounting brought by the Crown through the Serious Fraud Office. Those represent a continuum of offending between 2000 and 2012 and are split into four charges because of an amendment to the law in 2003 which, amongst other things, increased the sentence on those lead false accounting charges from seven to 10 years.

[2] There is a fifth representative charge of theft by a person in a special relationship extending between 2003 and 2012, and that has a maximum of seven years' imprisonment.

[3] There are another three charges brought under the aegis of the Financial Markets Authority for supplying false information, for dishonestly obtaining authorisation to act as an authorised financial adviser, and for acting as a

broker without registration. The first two of those carry as maximum penalties fines only. As such, it is acknowledged by the Crown that the imposition of fines is simply unrealistic in the context of your position, the losses that are suffered by victims, and that any available monies would be directed toward reparation. The third charge of acting unlawfully as a broker without registration carries a maximum of 12 months' imprisonment.

Facts

[4] The facts on one level are labyrinthine and on another are startlingly and starkly simple. You have been a financial adviser for over 20 years. In 2011 you gained approval as an authorised financial adviser from the Financial Markets Authority, of course wholly oblivious of the fact that you were offending in this way and had been for years.

[5] Your umbrella company, Ross Asset Management, was solely directed by you. You had sole decision making authority. As part of the facade of your operation you had created deeds providing that you would manage clients' portfolios in a proper manner, you would comply with instructions given by clients, and that all money in the portfolio should be managed properly by you and when not invested paid into an account in the name of individual clients.

[6] The deception was furthered with your quarterly investment reports to investors listing transactions for the quarter, and giving book value and market value of the individual investors' portfolios. You took management fees calculated each quarter as a percentage of the market value of the portfolio as stated in the quarterly reports. Typically those fees ranged between 1 and 1.5 percent of the market value stated on the portfolio.

[7] By 2012 investors began complaining that they were experiencing difficulty or were simply unable to withdraw funds from your company. That saw the Financial Markets Authority apply to the High Court who appointed receivers and managers in November of 2012. Those receivers took over control of all of your

corporate vehicles including Ross Asset Management and another entity known as Bevis Marks Corporation.

[8] In their first report the receivers identified there were purported investments of just under \$450 million. The majority of those, nearly \$438 million, were held in the name of the Bevis Marks entity purportedly relating to securities held mostly overseas. Only about \$10.2 million existed, held by other entities such as banks or brokers. Total investor withdrawals and management fees over the last five years had exceeded contributions to the funds by more than \$60 million. The receivers were able to point out in that November report it was likely that any historical returns advised to investors were either exaggerated or fictitious.

[9] That led to the charges. The lead charges are the false accounting charges and these relate to the trading positions stated for the Bevis Marks securities and also the closing positions of Bevis Marks securities. Between June 2000 and September 2003 fictitious transactions for the trading of these securities on paper had profits recorded of nearly \$36.5 million, and between 2003 and 2012 those fictitious transactions saw paper profit, entered into the computer system on your instructions, of nearly \$315 million.

[10] Likewise, between 2000 and 2003 fictitious transactions accounted for in the closing position of Bevis Marks securities were recorded at about \$106 million and between 2003 and 2012 the closing positions of those Bevis Marks securities you had recorded as more than \$384 million.

[11] What was happening was that the quarterly investment reports for your investors were generated out of that same computer system and they either hid losses or overstated the performance of investor portfolios. That information put into the hands of investors was instrumental in obtaining new investors, retaining existing investors, and furthering the losses that would inevitably follow.

[12] The charge of theft by a person in a special relationship arises from the basis that you received these funds on the terms that they were to be managed in a proper manner, in compliance with instructions given, and where not invested they were to

be paid into a bank account into the name of individual investors. You deliberately dealt with those funds otherwise because you were using funds paid in to repay the paper investments of other of your clients. In all, hundreds of investors, at least 700 from both New Zealand and overseas, have lost somewhere in the order of \$115 million through investing with you.

[13] The Financial Markets Authority charges speak largely for themselves. What you did was impugn the integrity of the regulatory and compliance arms of the Financial Markets Authority by your actions. Put simply, Mr Ross, you ran what is known as a Ponzi scheme, that is, a fraudulent investment enterprise in which the investments of later investors are largely used to pay off other investors, giving all of the appearance of good returns to investors. You stole from the people who trusted you with their life savings. You constructed an enormous web of increasingly complex deceit to maintain this illusion that you were a skilled and trusted adviser and benefactor.

[14] The cold, hard, reality is that you were a liar and a thief operating on a scale unprecedented in this country. What you have done is wrought misery on hundreds of people, most ruined financially, many elderly and frail, and many suffering far more than simply monetary losses which are bad enough anyway.

Victims

[15] On that subject I need to turn to the position of your victims because their position is central to this sentencing exercise. We have had four victim impact statements read today in Court and the raw hurt and anger was palpable. I have read the folder of victim impact statements, around 40 of them, and here today in numbers are victims whose mere presence manifests their loss, their distress, and their sense of betrayal.

[16] At the heart of your dishonesty is not just the money that you lost but the lengths that you went to cultivate relationships with your victims in order to keep their trust, as well as their money, while you were in fact wreaking financial ruin upon them. These are honest and hardworking people. These are not corporate

accounts, these are not faceless entities. These are the life savings of people that you have simply dissipated.

[17] Typically your victims range from middle-aged to people in their eighties. They include the disabled, the frail, and the ill. Many have been forced to sell their houses to pay debt, many are forced to continue working into their old age because you have lost their life savings, and the common themes emergent in their statements are firstly feelings of guilt because they have recommended friends and family to you, and feelings of guilt because they have lost monies that were intended to support their own families. There are feelings of helplessness, despair, and anger, and of betrayal. Effectively your hubris has wrought incalculable harm to the lives of many hundreds of people who were trusting and vulnerable and are now devastated.

[18] It needs to be said from the outset that whatever monies can be recovered, and recognising that you are taking steps to ensure that the receivers have access to whatever assets you have, the reality is, as you recognise through Mr Turkington, that any reparation is literally a drop in the bucket. It needs to be said also that no sentence this Court imposes can help those people, no prison sentence can restore them or probably even provide solace to them, they simply remain your victims.

Crown

[19] The Crown through Ms McDonald for the Serious Fraud Office has outlined in written submissions, which she has spoken to today, the appropriate purposes and principles that underlie this sentencing exercise. She points out the aggravating factors from the Crown perspective and from the perspective of the Financial Markets Authority, and she has referred me to various authorities, in other words sentencing cases in this country in recent years, to which I will return.

[20] The Crown submit, based on those principles, aggravating factors, and authorities, that a cumulative starting point must be taken because the maximum sentence on any of the lead charges is 10 years. The Crown submit that a real

starting point of nearer 15 years is appropriate. That would be apportioned amongst the charges.

[21] The Crown submit that any credit by way of discount, particularly for recognition of prior good character, should be tempered by the reality that although you have no previous convictions this offending has been going on for at least the last 12 years. The Crown recognise that there must be fulsome credit for a guilty plea that came early in the context of the charges that were laid and submit that an effective end sentence of around 10 years and six months is appropriate. The Crown submit that a minimum period of imprisonment of at least half of that should be imposed. The Crown submit that the offending against the Financial Markets Authority Act 2011 and its compliance regime should be seen as an aggravating factor and draw an increase in the effective penalty.

Defence

[22] Mr Turkington on your behalf accepts, and you acknowledge through him, the losses that you have caused these victims. He says your remorse and contrition is genuine and palpable. You accept that stern punishment in the form of a significant term of imprisonment is inevitable. He points out that after your guilty plea you were taken into custody without any attempt at applying for bail, recognising that was part of the ultimate penalty.

[23] He tells me that you have executed a document that will go to the receivers whereby you place at their disposal whatever available assets you have, including your interest in the family home and two other properties. The final figure that will be realised is unknowable at this stage but you accept it is miniscule compared with the losses, but he submits it does represent your contrition and remorse.

[24] He submits this money was simply lost in this web of deceit, that there are no hidden funds, you have no ill-gotten gains. Mr Turkington submits that, accepting the aggravating factors, a starting point of around 12 years' imprisonment is appropriate. He submits there should be discounts for your co-operation and good character of up to around 13 percent, and a further 25 percent discount to represent

your guilty plea. He points to your full co-operation with the Financial Markets Authority and Serious Fraud Office, your prior good character, your frail health, your age, and the difficulty that a sentence of imprisonment will pose because of that frailty and your age.

Sentence

[25] It falls then to me to assess the gravity of this offending in coming to a starting point. The aggravating factors include the scale of the offending. That encompasses the sheer amounts of money lost and the duration of this calculated dishonesty which stands at the most serious level seen in this country yet with overall losses, as has been stated, up to around \$115 million, at least 700 victims, and around 12 years of offending against them.

[26] Next there is the vulnerability of these victims. They placed their trust in you to invest their hard-earned savings honestly. The breach of that trust was total. The other aggravating factor that should not be overlooked is the impugning of the integrity of the Financial Markets Authority, its regime, and the new laws that were put in place for financial advisers around regulation and compliance.

[27] So, the Crown submit a starting point of around 15 years, the defence around 12 years. Clearly the seriousness of this offending is very high. The charges are representative, that means that they represent a continuum of offending over these 12 years. You have blighted the remaining lives of these many hundreds of often elderly and all innocent citizens and lost up to \$115 million. Factored into that mix it is to be seen that what you did was not motivated primarily by greed or high living but seemingly to maintain an illusion, some sort of twisted form of vanity or hubris.

[28] Taking into account those factors I consider that a starting point of imprisonment of 16 years is appropriate. Looking then to personal factors, there are no personal aggravating factors, you have no prior convictions. Then I look to personal factors that go to your credit by way of discount from that starting point. I do note and recognise your earlier years of honest living and I temper that, as the

Crown have submitted I should, by taking into account that you have spent the last 12 years constantly offending.

[29] Secondly, I accept that your remorse is genuine and into the balance I weigh on that score that it became manifest only after this house of cards collapsed. Up until then you maintained that illusion as fiercely and robustly as you could. I accept there is full co-operation with the authorities. I take into account your offer of reparation. Nominal as it is, it is the manifestation of contrition. I take into account your fragile health. Your depression on the face of it seemed to have been triggered by the reality of your position rather than any underlying mental illness, and alongside that one must recognise that a long prison sentence is more difficult for an elderly person.

[30] Taking into account those factors, I see that as warranting a 10 percent discount, which on my calculation is about 19 months, leaving a reference point of 14 years and five months.

[31] Then I am bound to add in further discount to recognise your early guilty plea. The appellate Courts have set a full discount for an early guilty plea at 25 percent. From that reference point that discounts another three years and seven months. That in turn leaves an end sentence of 10 years and 10 months' imprisonment.

[32] That of itself is more than the maximum for the lead sentences which carry maximums of 10 years' imprisonment, and on those lead sentences I impose a sentence of eight years' imprisonment.

[33] On the other Crimes Act 1961 charges with maximums of seven years' imprisonment there will be a sentence of two years and 10 months. That is concurrent with each other, cumulative on the eight year sentence.

[34] On the Financial Markets Authority and Financial Advisers Act 2008 charges that carry fines only you will be convicted and discharged. A fine is, as I said, simply untenable.

[35] On the third charge under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 of working as a broker when unregistered there is a sentence, from a maximum of 12 months, of eight months' imprisonment. That is concurrent with the lead sentences as that offending has been taken into account as a global aggravating factor in reaching the start points that I did.

Minimum period of imprisonment

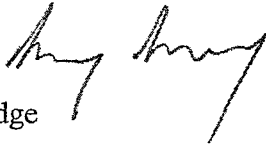
[36] That brings us to the point of consideration of whether a minimum period of imprisonment should be imposed. The Crown seek a minimum term of imprisonment of at least 50 percent of the end sentence. Mr Turkington has submitted that such sentences are usually imposed in the cases of people who pose a risk to the community and to the safety of members of the community such as serious violent or sexual offenders. He submits that at your age, with a significant term of imprisonment that you will be serving, that is ordeal enough, that is the least restrictive outcome, and there is no need to impose a minimum period of imprisonment.

[37] I find that this offending is sufficiently serious that the ordinary minimum length of imprisonment of one third of the stated sentence would not be enough to denounce, deter, or effectively punish this offending. Given all of the features of your offending that is simply insufficient. I accept at the same time there is no issue around community safety or protection in your case and a minimum term of imprisonment, while warranted, I fix at 50 percent of that end sentence which amounts to five years and five months.

[38] There is an order for reparation recognised in terms of this deed to be finalised and executed with the receivers. Payments will be made with liaison with the registrar and via the officers of the receivers and managers.

[39] In view of the expressed wishes of the victims who have read their statements, I will make an order that there is to be no publication of their names or material that could lead to their identification.

D R W Barry
District Court Judge

A handwritten signature in black ink, appearing to read 'D R W Barry', written in a cursive style.

Ross Asset Management Limited (In Liquidation)
Investor Related Receipts and Payments
2010-2012

Period End		6 November 2012			31 March 2012			31 March 2011			31 March 2010		
INVESTORS													
Category	Notes	Deposits	Withdrawals	Summary	Deposits	Withdrawals	Summary	Deposits	Withdrawals	Summary	Deposits	Withdrawals	Summary
Investor Related Receipts	A	Investor Deposit		\$16,777,258.39	\$12,707,668.98	\$0.00	\$29,098,245.63	\$16,829,698.94	\$0.00	\$40,858,976.95	\$22,240,564.75	\$0.00	\$27,724,257.89
		Dividend	1	\$6,509,967.98	\$85,000.00		\$90,124.28	\$0.00	\$117,868.57	\$0.00	\$145,214.96	\$0.00	\$0.00
		Share Sale	2	\$31,963.01	\$0.00		\$8,341,956.74	\$0.00	\$21,529,799.71	\$0.00	\$5,168,569.87	\$0.00	\$0.00
		Transfer from Dagger	3	\$6,860,376.76	\$0.00		\$5,849,069.17	\$0.00	\$2,381,609.73	\$0.00	\$169,908.30	\$0.00	\$0.00
		Transfer from Bevis	4	\$2,511,950.64	\$0.00		\$695,427.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		Transfer from UAM	5	\$287,000.00	\$0.00		\$1,413,998.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Investor Related Payments	B	Investor Withdrawal		\$16,243,093.94	\$90,000.00	\$27,254,224.68	\$28,107,112.73	\$2,800.00	\$38,258,320.88	\$40,325,973.77	\$9,384.64	\$20,585,903.50	\$24,023,153.16
		Share Purchase	7	\$0.00	\$16,043,354.52		\$0.00	\$802,138.21	\$0.00	\$2,069,080.71	\$0.00	\$3,180,894.30	\$0.00
		Transfer to Dagger	8	\$0.00	\$199,739.42		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		Transfer to Bevis	9	\$0.00	\$0.00		\$0.00	\$115,749.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		Transfer to UAM	10	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$1,372.19	\$0.00	\$122,267.00	\$0.00
			11	\$0.00	\$0.00		\$0.00	\$25,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$143,473.00
Investor Cash Flow Position				\$534,164.46			\$991,132.90			\$533,003.17			\$3,701,104.73
Actual Investor Asset Position		D					\$15,909,443.66			\$30,764,005.33			\$53,927,761.69
Reported Investor Asset Position		E		\$5,917,979.68			\$387,255,638.18			\$398,534,193.82			\$353,055,365.32
Investor Net Contributions Liability		F		\$449,613,033.00			-\$114,265,783.08			-\$116,361,747.03			-\$113,350,340.36

Ross Asset Management Limited (In Liquidation)
Investor Related Receipts and Payments
2007-2009

Period End	31 March 2009				31 March 2008				31 March 2007			
INVESTORS												
Category	Notes	Deposits	Withdrawals	Summary	Deposits	Withdrawals	Summary	Deposits	Withdrawals	Summary		
Investor Related Receipts	F			\$26,102,447.76			\$28,160,778.90			\$29,913,240.43		
	Investor Deposit	20	\$11,225,195.52	\$0.00	\$19,169,024.00	\$0.00		\$28,190,950.90	\$50,000.00			
	Dividend	21	\$58,588.16	\$0.00	\$174,888.39	\$0.00		\$165,031.14	\$1,192.91			
	Share Sale	22	\$13,894,972.08	\$0.00	\$8,314,500.51	\$0.00		\$1,458,451.29	\$0.00			
	Transfer from Dagger	23	\$894,000.00	\$0.00	\$340,000.00	\$0.00		\$150,000.00	\$0.00			
	Transfer from Bevis	24	\$5,000.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00			
Transfer from UAM	25	\$24,692.00	\$0.00		\$162,366.00	\$0.00		\$0.00	\$0.00			
Investor Related Payments	G			\$25,397,097.55			\$26,397,104.08			\$29,526,844.28		
	Investor Withdrawal	26	\$0.00	\$24,304,386.28	\$39,555.80	\$21,016,785.64		\$5,025.00	\$19,731,657.51			
	Share Purchase	27	\$11,891.64	\$1,104,602.92	\$0.00	\$5,256,733.57		\$36,395.44	\$9,836,607.22			
	Transfer to Dagger	28	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00			
	Transfer to Bevis	29	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00			
	Transfer to UAM	30	\$0.00	\$0.00		\$0.00	\$163,140.67	\$0.00	\$0.00			
Investor Cash Flow Position	H			\$705,350.21			\$1,763,674.82			\$386,396.15		
Actual Investor Asset Position	I			\$56,958,607.71			\$70,949,460.02			\$75,202,847.65		
Reported Investor Asset Position	J			\$266,253,295.01			\$239,258,117.47			\$212,644,937.61		
Investor Net Contributions Liability	K			-\$102,285,584.59			-\$102,011,182.78			-\$90,804,376.35		

Ross Asset Management Limited (In Liquidation)
Investor Related Receipts & Payments

NOTES

- A** Receipts which relate to trustee activities regarding investors. Includes investor deposits, share sale receipts, dividends and deposits from Dagger Nominees Limited, on the basis it was supposed to hold the investor shares on trust and from Bevis Marks Corporation Limited and United Asset Management Limited on the basis that shares owned by these companies were likely acquired as a result of RAM's activities.
 - B** Payments which relate to trustee activities regarding investors. Includes investor withdrawals, share purchases and transfers to Dagger Nominees Limited, on the basis it was supposed to hold the investor shares on trust and to Bevis Marks Corporation Limited and United Asset Management Limited on the basis that shares owned by these companies were likely acquired as a result of RAM's activities.
 - C** Actual monthly investor position based on actual cash receipts and payments.
 - D** Value of overall historic share portfolio available to pay investors. This has been calculated using the same methodology agreed with Inland Revenue to allow investors to reassess prior year tax returns. This valuation includes shares held by companies which David Ross claimed to be personal. Accordingly it is possible that the value of available shares has been overstated.
 - E** Overall value of assets managed by RAM according to the RAM Investor Database.
 - F** Value of positive investor net contributions at each quarter that RAM reported to investors. This is the overall value of portfolios where investors had contributed more cash than they withdrew. It ignores share trading profits on the basis that this was likely fictitious.
- 1** Bank transfers and verified branch deposits from investors.
 - 2** Dividends received from shares held.
 - 3** Receipts from share brokers. Assumption that entire receipt is from the sale of shares, unless other information held to confirm otherwise. May also be from dividends paid to brokers and investor deposits made directly to broker accounts.
 - 4** Transfer from a Bank Account operated by Dagger Nominees Limited (In Liquidation). Will primarily be from sale of shares.
 - 5** Transfer from a Bank Account operated by Bevis Marks Corporation Limited (In Liquidation). Will primarily be from sale of shares.
 - 6** Transfer from a Bank Account operated by United Asset Management Limited (In Liquidation). Will primarily be from sale of shares.
 - 7** Bank transfers and verified cheques paid to investors.
 - 8** Payments made to share brokers. Assumption that all funds have been used to acquire shares.
 - 9** Transfer to a Bank Account operated by Dagger Nominees Limited (In Liquidation).
 - 10** Transfer to a Bank Account operated by Bevis Marks Corporation Limited (In Liquidation).
 - 11** Transfer to a Bank Account operated by United Asset Management Limited (In Liquidation).

**Pages 112 – 135 have not been provided pursuant to an order of the High Court
as to the confidentiality of those pages**

Ross Group Companies (In Liquidation)
Summary of transactions at 31 October 2017

Ross Asset Management Limited (In Liquidation)

Receipts

Share sales	2,523,302.41	
Clawback payment	15,044,879.64	
Dividends	37,399.25	
Funds on hand	31,947.25	
Transfer from Receivers' account	40,378.06	
Interest income	207,646.02	
Investor management fees	27,117.49	
Other income	621.60	
RAM office furniture sales	9,475.21	
Sale of Tama Road	85,000.00	
Sale of Marine Drive	828,000.00	
Rental income	6,404.52	
Reparations from David Ross Receivership	1,087,707.76	
Security for costs received	22,509.12	
Total receipts		19,952,388.33

Payments

Advertising	4,127.72	
Bank charges	934.03	
Brokerage fees	42,441.62	
Commission	26,850.48	
Council rates	1,466.25	
Document charges	45,087.78	
DRG Ross Trust Legal Fees	8,533.04	
DRG Ross Trust Receivers' Disbursements	4,158.99	
DRG Ross Trust Receivers' Fees	14,055.00	
Duress payments	10,095.39	
Electricity	1,191.56	
Employee Preferential Claim	19,574.83	
Freight	1,815.00	
Insurance	3,956.04	
IT support	9,402.38	
Landlord make good costs	505.65	
Legal fees	2,201,454.64	
Liquidation Committee expenses	191.70	
Liquidators' fees	1,568,375.30	
Liquidators' general expenses & disbursements	133,272.02	
Mail collection	737.39	
PAYE	11,142.61	
Property management costs	530.41	
Property maintenance	923.95	
Petitioning creditor costs	1,302.80	
Proprietary claims	479,326.57	
Receivers' fees	172,185.53	
Receivers' general expenses & disbursements	12,098.48	
Office rental	25,146.87	
RWT	57,342.94	
Security	313.61	
Telephone	770.13	
Wages	11,104.29	
GST on payments	547,600.16	
Total payments		5,418,015.16

Total cash on hand

\$ 14,534,373.17

Ross Group Companies (In Liquidation)
Summary of transactions at 31 October 2017

Dagger Nominees Limited (In Liquidation)

Receipts

Share sales	1,170,782.64	
Dividends	73,806.75	
Transfer from Receivers' account	4,922.65	
Interest income	96,273.18	
Funds on hand	7,355.59	
Investor management fees	186.43	
GST	1,803.80	
Total receipts		1,355,131.04

Payments

Bank charges	758.96	
Brokerage fees	14,310.37	
Broker document charges	2,248.64	
Liquidators' fees	18,415.69	
Liquidators' general expenses & disbursements	3,926.27	
Proprietary claims	157,766.79	
RWT	27,495.71	
Total payments		224,922.43

Total cash on hand	\$ 1,130,208.61
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Ross Group Companies (In Liquidation)
Summary of transactions at 31 October 2017

Bevis Marks Corporation Limited (In Liquidation)

Receipts

Share sales	216,961.78	
Dividends	12,079.18	
Transfer from Receivers' account	2,902.15	
Interest income	3,270.68	
GST on receipts	-	
Total receipts		235,213.79

Payments

Bank charges	90.78	
Brokerage fees	3,285.36	
Broker document charges	105.00	
Distribution to David Ross Receivership	217,208.44	
Liquidators' fees	8,874.74	
Liquidators' general expenses & disbursements	623.22	
Other expenses	529.97	
Receivers' fees	1,485.52	
Receivers' general expenses & disbursements	222.83	
RWT	749.60	
GST on payments	1,696.70	
Total payments		234,872.16

Total cash on hand	\$	341.63
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Ross Group Companies (In Liquidation)
Summary of transactions at 31 October 2017

McIntosh Asset Management Limited (In Liquidation)

Receipts

Share sales	28,236.14	
Dividends	495.60	
Interest income	924.70	
GST on receipts	-	
Total receipts		29,656.44

Payments

Brokerage fees	444.01	
Distribution to David Ross Receivership	22,926.88	
Liquidators' fees	4,919.35	
Liquidators' general expenses & disbursements	327.75	
RWT	251.39	
GST on payments	787.06	
Total payments		29,656.44

Total cash on hand

\$ -

Ross Group Companies (In Liquidation)
Summary of transactions at 31 October 2017

Mercury Asset Management Limited (In Liquidation)

Receipts

Share sales	76,868.40	
Dividends	1,207.06	
Interest income	1,494.13	
Funds on hand	1,574.15	
GST on receipts	-	
Total receipts		81,143.74

Payments

Bank charges	30.00	
Brokerage fees	1,478.36	
Distribution to David Ross Receivership	71,645.48	
Liquidators' fees	6,001.42	
Liquidators' general expenses & disbursements	661.80	
RWT	368.16	
GST on payments	958.52	
Total payments		81,143.74

Total cash on hand		\$ -
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Ross Group Companies (In Liquidation)
Summary of transactions at 31 October 2017

Ross Investment Management Limited (In Liquidation)

Receipts

Share sales	7,923.35	
Interest income	188.15	
GST on receipts	-	
Total receipts		8,111.50

Payments

Brokerage fees	115.71	
Distribution to David Ross Receivership	4,980.14	
Liquidators' fees	2,369.35	
Liquidators' general expenses & disbursements	207.45	
RWT	52.33	
GST on payments	386.52	
Total payments		8,111.50

Total cash on hand	\$ -
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Ross Group Companies (In Liquidation)
Summary of transactions at 31 October 2017

Ross Unit Trusts Management Limited (In Liquidation)

Receipts

Share sales	8,308.30	
Interest income	206.73	
GST on receipts	-	
Total receipts		8,515.03

Payments

Bank charges	34.00	
Brokerage fees	255.09	
Distribution to David Ross Receivership	6,180.91	
Liquidators' fees	1,624.84	
Liquidators' general expenses & disbursements	166.50	
RWT	57.53	
GST on payments	196.16	
Total payments		8,515.03

Total cash on hand	\$ -
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United Asset Management Limited (In Liquidation)**Receipts**

Share sales	132,725.13	
Transfer from Receivers' account	881.45	
Funds on hand	17,574.66	
Interest income	4,371.84	
GST on receipts	-	
Total receipts		155,553.08

Payments

Bank charges	34.20	
Brokerage fees	2,629.81	
Broker document charges	54.00	
Distribution to David Ross Receivership	114,025.19	
Distribution to Unsecured Creditors	27,615.70	
Liquidators fees	8,133.55	
Liquidators' general expenses & disbursements	569.71	
RWT	1,185.43	
GST on payments	1,305.49	
Total payments		155,553.08

Total cash on hand	\$ -
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NCB Distribution amount \$ 14,000,000.00
Alternative Model Distribution % up to 18.23%
Alternative Model Distribution amount \$ 14,000,000.00
Variance \$ 0.00

Distribution Overview

	Unadjusted NCB Model			CPI Adjusted NCB Model			CPI Adjusted Alternative Model		
Distribution %	13.20%			11.23%			18.23%		
Distribution amount	\$ 14,000,000.00			\$ 14,000,000.00			\$ 14,000,000.00		
Investors included	620			639			418		
Value of Distribution	Number	Value	Average Distribution	Number	Value	Average Distribution	Number	Value	Average Distribution
\$1 - \$100	7	\$ 259.95	\$ 37.14	6	\$ 259.54	\$ 43.26	2	\$ 105.24	\$ 52.62
\$101 - \$500	6	\$ 2,100.01	\$ 350.00	13	\$ 3,700.63	\$ 284.66	-	\$ -	\$ -
\$501 - \$1,000	24	\$ 17,759.08	\$ 739.96	27	\$ 21,281.32	\$ 788.20	6	\$ 4,941.79	\$ 823.63
\$1,001 - \$5,000	141	\$ 360,246.06	\$ 2,554.94	137	\$ 360,072.80	\$ 2,628.27	87	\$ 239,601.29	\$ 2,754.04
\$5,001 - \$10,000	108	\$ 774,464.93	\$ 7,170.97	112	\$ 783,917.27	\$ 6,999.26	57	\$ 463,336.16	\$ 8,128.70
\$10,001 - \$50,000	260	\$ 5,820,055.81	\$ 22,384.83	271	\$ 6,047,706.97	\$ 22,316.26	186	\$ 4,683,644.16	\$ 25,180.88
\$50,001 - \$100,000	55	\$ 3,748,466.24	\$ 68,153.93	56	\$ 3,730,848.15	\$ 66,622.29	51	\$ 3,760,260.16	\$ 73,730.59
\$100,001 - \$500,000	17	\$ 2,599,006.34	\$ 152,882.73	16	\$ 2,408,393.77	\$ 150,524.61	29	\$ 4,826,224.72	\$ 166,421.54
\$500,000 +	1	\$ 661,772.90	\$ 661,772.90	1	\$ 630,341.43	\$ 630,341.43	-	\$ -	\$ -
	619	\$ 13,984,131.32	\$ 22,591.49	639	\$ 13,986,521.89	\$ 21,888.14	418	\$ 13,978,113.53	\$ 33,440.46

Impact of Alternative Model against NCB Model

Value of impact	Impact Negative		Impact Positive	
	Number	Value	Number	Value
\$1 - \$100	6	\$ 259.54	1	\$ 92.36
\$101 - \$500	12	\$ 3,105.78	12	\$ 4,432.26
\$501 - \$1,000	9	\$ 7,003.82	36	\$ 26,337.04
\$1,001 - \$5,000	67	\$ 201,893.55	110	\$ 303,256.54
\$5,001 - \$10,000	43	\$ 302,265.24	86	\$ 651,189.83
\$10,001 - \$50,000	92	\$ 2,091,151.83	129	\$ 2,891,465.17
\$50,001 - \$100,000	16	\$ 1,113,617.54	10	\$ 680,741.92
\$100,001 - \$500,000	5	\$ 615,587.87	3	\$ 399,303.13
\$500,000 +	1	\$ 630,341.43	-	\$ -
	251	\$ 4,965,226.60	387	\$ 4,956,818.25

Summary of impacts (not absolute)

	NCB	Alternative
Mean	\$ 19,828.82	\$ 12,860.55
Median	\$ 8,063.67	\$ 7,320.67
Min	\$ 0.98	\$ 112.05
Max	\$ 630,341.43	\$ 144,785.50

DUPLICATE

**In the High Court of New Zealand
Wellington Registry**

**CIV 2012-485-2591
CIV 2012-485-2590**

Under Part 16 of the Companies Act 1993

Between

**John Howard Ross Fisk and David John Bridgman as
receivers of each of the defendant companies**

First Plaintiffs

and

**John Howard Ross Fisk and David John Bridgman as
receivers of and on behalf of David Robert Gilmour Ross**

Second Plaintiffs

and

Ross Asset Management Limited (in receivership)

First Defendant

and

Bevis Marks Corporation Limited (in receivership)

Second Defendant

(Continued/-)

**Order putting company into liquidation and on originating
application for orders pursuant to sections 280 and 286 of
the Companies Act 1993**

December 2012



BELL GULLY

BARRISTERS AND SOLICITORS

M G COLSON / R L PINNY
WELLINGTON LEVEL 21, 171 FEATHERSTON STREET
PO BOX 1291, WELLINGTON 6140, DX SX11164, NEW ZEALAND
TEL 64 4 915 6800 FAX 64 4 915 6810 EMAIL RACHEL.PINNY@BELLGULLY.COM

Continued list of parties

and

Mercury Asset Management Limited (in receivership)

Third Defendant

and

McIntosh Asset Management Limited (in receivership)

Fourth Defendant



This document notifies you that –

1. The application made by the plaintiffs John Howard Ross Fisk and David John Bridgman as receivers of each of the defendant companies and as receivers of and on behalf of David Robert Gilmour Ross, was determined by Associate Judge Gendall on 17 December 2012, at 1:01pm (Ross Asset Management Limited (in receivership)), 1:02pm (Bevis Marks Corporation Limited (in receivership)), 1:03pm (Mercury Asset Management (in receivership)) and 1:04pm (McIntosh Asset Management Limited (in receivership)) (together, the **defendant companies**).

2. This Court orders that:

(a) each of the defendant companies:

- (i) Ross Asset Management Limited (in receivership);
- (ii) Bevis Marks Corporation Limited (in receivership);
- (iii) Mercury Asset Management (in receivership); and
- (iv) McIntosh Asset Management Limited (in receivership),

be put into liquidation by the Court under the Companies Act 1993, and appoints John Howard Ross Fisk and David John Bridgman as liquidators with the ability to exercise their powers individually pursuant to section 242 of the Companies Act 1993;

(b) pursuant to s280 and/or s286(4)(b) of the Companies Act 1993 John Howard Ross Fisk and David John Bridgman may act as joint and several liquidators of the following companies:

- (i) Ross Asset Management Limited (in receivership);
- (ii) Bevis Marks Corporation Limited (in receivership);
- (iii) Mercury Asset Management (in receivership);
- (iv) McIntosh Asset Management Limited (in receivership);



- (v) Dagger Nominees Limited (in receivership);
 - (vi) Ross Investment Management Limited (in receivership);
 - (vii) Ross Unit Trust Management Limited (in receivership); and
 - (viii) United Asset Management Limited (in receivership);
- (together, the **Companies**)

- (ix) Ace Investments Trust Limited (in receivership);
 - (x) Ace Investments Limited (in receivership);
 - (xi) Ross Unit Trust Limited (in receivership); and
 - (xii) Vivian Investments Limited (in receivership);
- (together, the **Related Entities**);

- (c) the liquidators' remuneration be fixed at the rates detailed in Schedule Three to this order;
- (d) the originating application and orders pursuant to section 280 and 286 of the Companies Act 1993 be served on all known creditors of the Companies and the Related Entities at the same time and in the same manner as the liquidators' first report under s255 of the Companies Act;
- (e) any creditor of any of the Companies or the Related Entities is granted leave to apply to the Court within five working days of such service to set aside the plaintiffs' appointment as liquidators;
- (f) in complying with their duties under section 255 of the Companies Act 1993, the liquidators to the Companies and Related Entities are at all times to keep confidential the list of and identity of the various investor creditors of these Companies and Related Entities; and
- (g) leave is reserved for any party (including Mr Bruce William Tichbon) to approach the Court on 48 hours notice with a formal



application for any additional or alternative directions that may be reasonably required in this proceeding.

3. It also orders that:

- (a) the plaintiffs' costs of \$4,776.00 and disbursements of \$1,256.80 of the applications (as particularised in the attached Schedule One); and
- (b) Mr Tichbon's costs and disbursements of \$1,302.80 (as particularised in Schedule Two);

be paid out of the assets of the defendant companies.

4. Before making this order, the Court—

- (a) heard Michael Colson for the Plaintiff, Hugh Rennie QC and Rachael Johnson for the Financial Markets Authority, Mike Lennard for Bruce William Tichbon; and Gary Turkington for David Ross and the defendant companies;
- (b) read the statement of claim and the affidavit of John Howard Ross Fisk verifying the allegations in the statement of claim;
- (c) sighted the advertisements for the statement of claim published in the New Zealand Gazette on 6 December 2012 and in The Dominion Post on 5 December 2012;
- (a) read the originating application without notice for orders under sections 280 and 286 of the Companies Act 1993 and the supporting affidavits of John Howard Ross Fisk and Jeremy Michael Morley;
- (b) read the without notice interlocutory application to fix the liquidators' remuneration and supporting affidavit of John Howard Ross Fisk; and



- (c) read the memorandum of counsel for the Financial Markets Authority in support of the applications and the affidavit of Bruce William Tichbon in support of the liquidation application.



Dated 17 December 2012

A handwritten signature in blue ink, which appears to read "Julie Pereira", is written over a dotted line.

Deputy Registrar
Julie Pereira

Schedule One: Plaintiffs' costs and disbursements

Step in proceeding	Daily Rate	Time allocation (days)	Recoverable costs
Preparing statement of claim	\$1,990	0.6	\$1,194
Preparing originating application without notice for orders under sections 280 and 286 of the Companies Act 1993	\$1,990	0.6 (calculated according to rates for an interlocutory application, not 2.0 days allocated to originating application)	\$1,194
Preparing interlocutory application to fix liquidators' rates of remuneration	\$1,990	0.6	\$1,194
Appearance at hearing	\$1,990	0.4	\$796
Sealing order	\$1,990	0.2	\$398
Total recoverable	\$1,990	2.4	\$4,776

Disbursements

Filing fee on statement of claim:	\$483.40
Filing fee on originating application	\$483.40
Filing fee on interlocutory application	\$241.70
Fee on sealing court order	\$48.30
Total:	\$1,256.80



Schedule Two: Mr Tichborn's costs

Step in proceeding	Daily Rate	Time allocation (days)	Recoverable costs
Preparing notice of appearance	\$1,990	0.2	\$398
Appearance at hearing	\$1,990	0.4	\$796
Total recoverable	\$1,990	2.2	\$1,194

**Disbursements**

Filing fee on appearance

\$108.80

Schedule Three: Liquidator's rates of remuneration

All rates below exclude GST.

Liquidators and Directors range from \$375.00 to \$450.00 per hour

Associate Directors range from \$300.00 to \$375.00 per hour

Managers range from \$240.00 to \$300.00 per hour

Senior Associates range from \$190.00 to \$240.00 per hour

Associates range from \$130.00 to \$190.00 per hour

Clerical Assistants and Secretaries range from \$110.00 per hour

